



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

41114
H91
PUBLISHED
MONTHLY

SUBSCRIPTION PRICE
\$1.75 PER YEAR

No. 107.

PRICE 15 CENTS

SEP. 1888.

LANE MEDICAL LIBRARY STANFORD



2 45 0422 5451

THE HUMBOLDT LIBRARY OF SCIENCE

ULTIMATE FINANCE

A TRUE THEORY OF
WEALTH

BY

WILLIAM NELSON BLACK

Q
111
H91
no. 107
1888
LANE
HIST

NEW YORK
HUMBOLDT PUBLISHING COMPANY
19 ASTOR PLACE

ENTERED AT THE NEW YORK POST OFFICE AS SECOND CLASS MATTER.

100,000 SOLD.

HYPNOTISM:

Its History and Present Development.

By FREDRIK BJÖRNSTRÖM, M. D.,

Head Physician of the Stockholm Hospital, Professor of Psychiatry, Late Royal Swedish Medical Counselor.

Authorized Translation from the Second Swedish Edition.

BY BARON NILES POSEE, M. G.,

Director of the Boston School of Gymnastics.

Paper Cover (No. 113 of The Humboldt Library),	-	-	30 Cents
Cloth, Extra, " " "	-	-	75 Cents

PRESS NOTICES.

The learned Swedish physician, Björnström.—*Churchman*.

It is a strange and mysterious subject, this hypnotism.—*The Sun*.

Perhaps as concise as any work we have.—*S. California Practitioner*.

We have found this book exceedingly interesting.—*California Homœopath*.

A concise, thorough, and scientific examination of a little-understood subject.—*Episcopal Recorder*.

Few of the new books have more interest for scientist and layman alike.—*Sunday Times* (Boston).

The study of hypnotism is in fashion again. It is a fascinating and dangerous study.—*Toledo Bee*.

It is well written, being concise, which is a difficult point to master in all translations.—*Medical Bulletin* (Philadelphia).

The subject will be fascinating to many, and it receives a cautious yet sympathetic treatment in this book.—*Evangelist*.

One of the most timely works of the hour. No physician who would keep up with the times can afford to be without this work.—*Quarterly Journal of Inebriety*.

Its aim has been to give all the information that may be said under the present state of our knowledge. Every physician should read this volume.—*American Medical Journal* (St. Louis).

It is a contribution of decided value to a much-disputed and but little-analyzed subject by an eminent Swedish alienist known to American students of European psychiatry.—*Medical Standard* (Chicago).

This is a highly interesting and instructive book. Hypnotism is on the onward march to the front as a scientific subject for serious thought and investigation.—*The Medical Free Press* (Indianapolis).

Many of the mysteries of mesmerism, and all that class of manifestation, are here treated at length, and explained as far as they can be with our present knowledge of psychology.—*New York Journal of Commerce*.

The marvels of hypnotic phenomena increase with investigation. Dr. Björnström, in this clear and well-written essay, has given about all that modern science has been able to develop of these phenomena.—*Medical Visitor* (Chicago).

It has become a matter of scientific research, and engages the attention of some of the foremost men of the day, like Charcot, of Paris. It is interesting reading, outside of any usefulness, and may take the place of a novel on the office table.—*Eclectic Medical Journal* (Cincinnati).

This interesting book contains a scholarly account of the history, development, and scientific aspect of hypnotism. As a whole, the book is of great interest and very instructive. It is worthy of careful perusal by all physicians, and contains nothing unfit to be read by the laity.—*Medical and Surgical Reporter* (Philadelphia).

To define the real nature of hypnotism is as difficult as to explain the philosophy of toxic or therapeutic action of medicine—more so, indeed. None the less, however, does it behoove the practitioner to understand what it does, even if he cannot tell just what it is, or how it operates. Dr. Björnström's book aims to give a general review of the entire subject.—*Medical Record*.

ULTIMATE FINANCE;

A TRUE THEORY OF WEALTH.

PART SECOND.

—BY—

WILLIAM NELSON BLACK.

(COPYRIGHT SECURED.)

NEW YORK:

THE HUMBOLDT PUB. CO.

24 EAST FOURTH STREET.

INTRODUCTION.

In offering the second number of *ULTIMATE FINANCE* to the attention of the public it may be desirable to place before the reader some opinions elicited by the publication of the first part of the treatise, bearing the sub-title "A True Theory of Co-operation," and issued as Number 102 of the *HUMBOLDT LIBRARY*. The following letters to the author over the signature of two gentlemen of national reputation will in part serve this purpose. The list of similar communications might be indefinitely extended:

NEW YORK, January 14, 1889.

MY DEAR MR. BLACK:

I have read your treatise with a great deal of interest and instruction, and can readily commend it to the attention of others. I do not feel competent to pronounce upon all the details of your plan, but the general features of it seem to me rational and full of beneficent promise. I have long been persuaded that if any improvement is to be made in the condition of existing society, it is not to be by arbitrary laws or Utopian schemes of reorganization, but by the broader application of methods now in use. Two of these you propose to utilize more extensively—mutual insurance and the capitalization of incomes—and your suggestions, it seems to me, are worthy the study of all thinking men.

I have the honor to be yours truly,

PARKE GODWIN.

MY DEAR BLACK,

I have known you so long as a thinker and writer, that I cannot resist the impulse to wish you hearty success in your new book. I became greatly interested in your first effort in this direction, feeling, with many others, that you had disclosed a plan which if worked out to practical results would greatly benefit the vast army of the employed. If the element of credit which so greatly benefits and builds up the few could be safely expanded so as to include the many, why should not its beneficent influences be well nigh universal? If, especially in the creation of homes for working men, the system of bonded insurance which you propose could be made effective; there is no estimating the good that might be accomplished, not only directly and indirectly, but to the commonwealth and society at large. Your reflections on this and kindred topics are profoundly interesting and I hope you will be encouraged to persevere in the study and development of the ideas you have been the first to advance.

ERASTUS WIMAN.

CONTENTS.

CHAPTERS.	PAGE
I. THE ORIGIN OF PROPERTY.....	5
II. THE EVOLUTION OF WEALTH.....	11
III. BANKING, AND ITS RELATION TO ACCUMULATION.....	20
IV. THE RELATION OF INSURANCE TO ACCUMULATION.....	28
V. THE CREATIVE AND BENEVOLENT FEATURES OF FORTUNE HUNTING.....	37
VI. WEALTH AN ENFORCED CONTRIBUTION TO THE PUBLIC WELFARE.....	43
VII. THE IMPAIRMENT AND DESTRUCTION OF PROPERTY.....	48
APPENDICES.....	53

ULTIMATE FINANCE;

A TRUE THEORY OF WEALTH.

PART SECOND.

BY WILLIAM NELSON BLACK.

CHAPTER I.

THE ORIGIN OF PROPERTY.

In the northwest corner of the State of New York, bounded on the west by the Niagara River and on the north by Lake Ontario, lies Niagara County. It is a pleasant place for reminiscences; and the writer of this treatise can remember that, in his extreme youth when living in that part of the State, he often made one in a party of perhaps a dozen village urchins who rambled along the shore of the lake in search of fresh roasting ears of corn. An abundant supply was always to be obtained during the proper season from the corn fields that extended down to the bank of the lake; and as this bank rose precipitously twenty or more feet from the level of the beach it seemed to offer good cover for these parties when poaching on the fields of the neighboring farmers.

The spectacle to be witnessed on these occasions would have been a painful subject for study to any man trained to hold the rights of property in a strict and proper veneration. To persons, however, whose sense of the humorous exceeded their moral sense the exhibition could have been little less than diverting. The poach-

ers manifested great respect for the rights of property. They were extremely careful to displace nothing that was necessary for the protection of the field. They did not tread down the corn. Ordinarily, no fences ran along the edge of the bank, but if one was found it was religiously respected, and not used for fuel. The culprits only stole carefully through the rows of standing corn, and split the husks from the ears sufficiently to see if the kernels were succulent, and as fast as the right ears were found they were torn from the stalks, and stuffed away in every rent in the clothing of the poachers that could be made to serve for a pocket. The plunder thus secured, to the number of possibly a dozen ears to each poacher, drift wood from along the beach supplied the necessary fuel for roasting. Possibly, too, this drift wood saved the fences.

The feast that followed might be worth an elaborate description were this book a novel written only for the entertainment of the reader. But for the purpose in view only the facts with a bearing can be mentioned. How the corn was prepared and eaten, what was said about the danger of detection, or whether watchers were posted to give warning of any unwelcome approach, are matters

only indirectly relevant. But there was one incident which serves to strengthen the illustration in its chief aim, and this must not be forgotten. The party was generally made up of epicures who could not be satisfied with a course of roast corn alone. Apples and corn ripen during the same season; and apples were thought either a good relish, or a good second course. They could be obtained, too, on the same economical terms with the corn. That is to say, they were poached from the neighboring orchards. Added to the corn they concluded a repast good enough to banish all thoughts of home, or home cooking, for the day.

Will it be said that all this was theft? It would have been downright theft in the southeastern corner of the State, which contains the metropolis, but in Niagara County it was not judged so harshly. If the proprietor of the cornfield or orchard happened along during the feast he would only look benignantly down from the top of the bank, and, after pleasantly threatening to deliver the whole party over to the town constable, would express the wish that the fruits of certain choice apple-trees should be left to be harvested by the ostensible owner, or that the visitors would be considerate, and neither destroy his fences nor cause needless waste by pulling the ears of corn that were not sufficiently ripened. Whereupon he would be voted a good fellow, and receive a promise that all future depredations, should be conducted according to his directions.

It will be said that this indifference to the claims of property was due to the superabundance of the harvest, and that the farmer would have been more tenacious of his rights had he been able to market his products profitably. This might be true; but it may be said, further, that it was not alone apples and roasting ears of corn that seemed to be held under a common tenure in the neighbor-

hood. A boat found without a padlock was just as liable as corn to be thought expropriated property by those same young vagrants; and, though they sometimes took the risk of a trouncing at the hands of larger claimants when they ventured to sail away into distant seas in search of adventure, no one ever dreamed of subjecting them to the sharp penalties of the law. They were only fulfilling the customs of the neighborhood at the time; and their offense, if it could be said that an offense had been committed, was thought altogether venial.

Those days of juvenile vagrancy are recalled with a definite purpose. The example shows that property rights are much less strictly maintained in a primitive community than among the members of a more highly sophisticated society. It is highly probable that even in Niagara County to-day, were an urchin found habitually engaging in depredations like those reported, he would be sent to some house of correction. A railway now extends through the neighborhood of the fields and orchards that were once so innocently despoiled, and the farmers are no longer compelled to cart their apples to Lockport, a distance of twelve miles at the nearest point from the lake, to find a market. Their fruit can be marketed in New York with less sacrifice of time, and at reduced cost. So, too, of the tenderly remembered corn fields. The little villages, once extending in a chain along the lake shore, have grown up into considerable towns capable of consuming a large supply of hot corn in the season; and it is probable that the farmers find in their unripened crop a source of some immediate profit. As men advance from their condition of backwoodsmen they become more tenacious of their property rights, and seem to grow more selfish. But the last manifestation is perhaps only in the seeming.

The sense of property grows with

the growth of individual differences; and it is hardly conceivable that among strictly savage tribes there can be a very keen perception of private possessions. Individualism must be first developed. Two dogs have been known to fight for a bone. But the contention was for no purpose of hoarding the bone, and saving it for future need. It was only for the gratification of pressing hunger, and did not imply any conception of proprietary rights. It arose from the physical instinct that suggested ability to take and to hold possession.

Abundant examples may be found for illustrating the lack of a sense of property among savages. Among the Esquimaux, according to the statements of explorers who have taken the trouble to investigate the habits of those exceedingly low grade aborigines, all goods are held in common. Each member of a community is at home wherever he can find shelter from the storms that visit his snow covered plains, and he will be welcome to such covering of skins, and such food, as the snow or mud built hut contains. It will be only necessary that he shall be willing to act his part with the implements of the fisherman or the hunter, also held in common, and perform his due proportion of all labor.

Here is the ground from which to study the origin of property. But the field is not new. Various writers on political economy have traced with greater or less elaboration the earlier stages of social organization with a view to discovering the key to our industrial system. It is only by research among a rudimentary people that men can discover the first principles of social science from a point of observation where facts can be easily comprehended. As civilization increases, society becomes more complex, and elements are discovered at work which bring uncertainty and confusion of judgment. Under improved conditions various impulses, such as ambition, the desire for self

improvement, or the domestic emotions seem more largely to control the conduct of men; and in watching social phenomena without recalling the earlier phases of civilization it is even possible to misconceive the motives by which mankind is directed in the march towards higher ground. But among a people just emerging from savagery the working of those instincts that lead to social organization may be more discriminatingly observed, and upon what is discovered in such society we can build our theories without much danger that they will rest upon imperfect ground. Fundamentally, there has been no change. The instincts that led to the most rudimentary government still furnish the chief impulses to human conduct, and give form to all the machinery of social administration.

But it will not be necessary to go back to the earlier ages of the globe to recall the circumstances under which wealth began to take on a definite form. It is so entirely consistent with the spirit of the age to delve among fossils that such exercise seems to be the only popular method of scientific investigation in any field of research. It would possibly be forgiven were we to speak of the protoplasm of inorganic capital. It would be pleasant, too, to make an excursion to the most remote antiquity, to visit again the caves and rude dwelling places of primeval man, and the trip could be made the more companionable from the fact that the naturalists have already taken possession of the field in large force, and are exhuming many fossils that shed light on the early history of the race. They not only seem to have come up to the reinforcement of the political economist but to practically invade his field. For the purpose in view, however, we need not follow them to the uttermost limits of their research. We may find even in our own generation, among the various savage tribes that

people the waste places on several continents, much of the material needed for illustration. The example of primitive condition, found, as already suggested, among the Exquimaux, may be found, also, in the Africa of Livingston and Stanley, and, differing only in degree, it is repeated among the aboriginal tribes within the boundries of the United States. When examples drawn from these sources fail, we may turn and contemplate the career of our own progenitors only a few hundred years removed.

Investigation, both among the African and American tribes, shows that, with a savage people, the communal sentiment, using the word communal in the broad sense where it is made to explain the tenure of goods held as a common possession, is much stronger than the instinct which seeks to claim them as a personal possession. The savage has no wants that differ widely from the wants of his fellow savages. Except where the climate compels the use of some kind of covering for the body he clothes himself according to the provision of nature, and remains satisfied. But even where he is compelled to resort to some other covering, as on the Western Hemisphere to the northward and southward of the tropics, he gains the material for his clothing when engaged in the chase, and its fabrication costs little labor or care. The construction of a hut is only the work of a few hours, and the food needed, by a tropical savage at least, is usually abundant, and to be had for the trouble of gathering it from the boughs. Why, then, should not all goods be held in common, and the very word property be denied an equivalent in the slender list of words that go towards the expression of savage ideas? A civilized being who knows his own wants, and the labor needed for their supply, would decide, *a priori*, that the sense of property could

have no existence where wants are so few and so easily satisfied.

Again, the earliest manifestations of the social instinct in a savage tribe are of a kind to develop the communal idea. As one tribe multiplies, or exhausts the resources of the territory over which it prowls in search of subsistence, it begins to encroach upon the hunting ground of some neighboring tribe. Collisions among hunting parties follow, and here we discover a situation which, at first thought, might be expected to develop the idea of personal possessions. But it will be seen that it is only the tribal domain which is invaded, and that the idea of possession which inspires the struggle is more likely to take on a communal than a personal form. The hunter attacks or defends not in his own name but in the name of his tribe. His enemy would have as much right to the deer of which both are in pursuit as himself had the game not been discovered on ground that was claimed by his nation. His appeal to his weapon then is made in the name of his tribe; and when the contest has finally assumed the proportions of a tribal war he marches forth to battle at the orders of his chief for the protection of the tribal domain. But he is inspired by no desire for personal possessions as he decorates himself for battle. The object sought is merely the enlargement or defence of the tribal territory, and he holds himself at the service of his chief. He fights in the interest of his fellows; and all the spoils of battle, save those that give him distinction for his personal prowess, inure to the glory and strength of the chief, the representative and custodian of the tribe.

From a study of these facts it will not take a very lively imagination on the part of the reader to trace in advance several manifestations of great moment which are certain to be observed, simultaneously or successively, in the development of nation-

al life. We find here the inception of the military order, weak necessarily in the beginning where every member of the tribe is alternately warrior or hunter, and only the women do menial labor. But created at the same time, and founded on the idea of tribal unity, we find, also, the circumstances which, among all rudimentary people, give the title to the soil into the hands of the ruling power, called later in the progress of civilization the Crown or the State; a title which, eventually, with the progress of civilization, becomes softened into the theory of eminent domain, and in that form represents a less arbitrary power of control. All governments are communal in their inception; and the duration of the communal idea is limited in after years not strictly and exclusively, perhaps, by the advance of civilization, but by the advance of civilization combined with the growth of individualism. The spirit of individualism is a development that demands liberty, and the indulgence of the initiative faculties. But the communal instinct, strengthened by its modified expression in the sentiment of nationality, is not easily cast out. It lingers still in the machinery of every modern government that has not reached the truly republican basis of organization; and to a greater or less degree it influences the administration of every republican governments.

But the instinct that is satisfied with communal possessions, though lasting long in the bosoms of men, is met at the very dawn of civilization by an influence of greater potency. This is the instinct which demands a recognition of personal rights, and it will be both profitable and pleasant to trace its origin.

We would naturally look to see the beginning of a desire for personal possessions in a wish to obtain the implements of the chase, or the rude weapons of destruction used in battle. A savage would be presumed to look

upon any implement which he had himself fashioned, however rude, as his own personal property. He might be supposed to think himself more skillful than any of his fellow savages in preparing implements suitable for his own service. A bow which he could bend easily might be useless in the hands of one of his fellows, or the stick that he had pointed into the semblance of a spear might be found too heavy for the service of a man of small physical prowess. But observation among savage tribes fails to show that there is much sense of personal property in the possession of these objects. They are manufactured as a means of recreation, generally without hope of reward, in the intervals of war or the chase, and are held in little or no esteem as private property.

The same indifference has been observed with respect to the rude dug-out, made to do duty as a boat, among savages of even a low grade. One would suppose that anything serviceable in taking fish would be highly prized, and eagerly sought as an object of property, among men desirous of obtaining the means of subsistence without much labor. But, again, we would be mistaken were we to form such an opinion. Such boats among savages are usually the work of many hands, and when completed they are subject to no claim that can be called a property claim. They are only subject to such a claim after they have acquired a form where considerable skill is demanded in construction, the birch bark canoe of the North American aborigines, for example. But not since the discovery of the continent has this race represented the lowest grade of savagery.

Among the lowest of savages, indeed, we would look in vain were we to search for the origin of personal rights in property. Voyagers have called the natives of the Pacific Islands great thieves. They appropriated whatever they found on the

ships that they were permitted to board. In truth, though, they were not thieves in the correct meaning of the word. They were only following the customs of the country. They had no conception of property rights, and were discovering for the first time that there was something worth getting and retaining. Among the North American aborigines, not including the Esquimaux in the classification, there was some sense of property rights, at the time of the settlement of the continent. These tribes had advanced so far that they even found use for a rude currency in wampum. To this extent, then, they were entering into civilization, and we cannot look among them to find the object of our search.

To a limited extent the conception of property may have found its origin in the rude objects which first aid the savage in procuring the means of subsistence, or in defending himself from the attacks of his enemies. But when we wish to find its true and deeper origin we must look far higher, and discover it among the motives that finally separate man widely from the brute creation, and make him a distinct being among all the creatures that inhabit the globe. He is a being of emotions. He possesses æsthetic sentiments, and demands the means for their gratification. Unlike the lower animals he does not live for to-day alone, but remembers the past, anticipates the future, and makes combinations of far reaching import and purpose. He cannot, therefore, depend upon the present alone, but must build viaducts along the way, prepare bridges to surmount obstacles, and protect his pathway against the derelictions of nature. This is his character in his highest estate. But he begins to develop it at the period which we call the dawn of civilization, and it ever afterwards continues to strengthen with each step in advance.

We shall find the first impulse to the

evolution of personal property in the domestic sentiments. The rudest savages are susceptible to no feeling of sentiment. Their instincts and desires are entirely brutish; and though the exercise of their earliest reasoning faculties soon ultimates in the sentiment of religion, called fetichism, there is nothing in this sentiment which separates one man from another. The religious sentiment may be indulged in common. It is founded in fact upon an instinct which, among savages at least, finds its natural expression in throngs. It is the instinct of superstitious fear. There is nothing in the religious sentiment to develop individualism. But this is not true of the conjugal affections. At the birth of the domestic sentiments we see a new manifestation. The indiscriminate relation of the sexes, universally maintained among the lowest savages, ceases. The æsthetic sense has awakened; and with it comes the power to discover personal charms. From the common level of brute instinct men rise to make discrimination in physical, mental, and moral qualities; and this tends to lift them above their groveling desires. Preferences and personal selection follows; and then we see the first great step taken towards the evolution of property. The conjugal sentiments, founded upon love and esteem, demand the seclusion and better protection of the object; and under their influence men find themselves seeking a new environment. Their communal instincts can no longer be exclusively indulged. The objects with which they were formerly satisfied seem now to be insufficient for their enjoyment. Their tribal instincts are no longer the only nor the chief instincts by which they are controlled. They are beginning to find another and an exclusive world created around the nucleus of their emotions; and for the protection of this world, which in its nature is mysterious and solemn, they are disposed to erect barriers against all

encroachment. Exclusive space must be secured, and the unworthy must be repelled as the wild beast is repelled. But the defense will be maintained with this difference. The wild beast can be best met and mastered by the resources of the tribe; and it is for the protection of the entire tribe that he is hunted and slain. But in his new relations the man feels that all beyond the orbit of his newly created world may become his enemies, or the enemies of his happiness. He is armed then for a double purpose. He still holds allegiance to his tribe for the protection given against foreign foes; but it is a divided allegiance, and it owes its highest impulse to the loyalty that is born of a new devotion. Hence, the inspiration to those regulations for private protection, rude in the beginning but which are finally developed into laws, to be found among all people just emerging from savagery. Hence, also, the idea of a home, a sheltering domicile, which shall lie beyond the reach of invasion, and be held by a tenure which cannot be invaded. It may be only a rude home in the beginning, a mere hut built up around a supporting pole in the heart of the forest, and provided with the skins of wild beasts taken in the chase for its only equipment. But it is still a home where the family of the brave may gather together and be safe from intrusion.

Can it be doubted that we find here the real foundation for the conception of private property? Those who seek to give it a more material origin, and to find in it a desire to possess the implements of the chase or of warfare, or even in the gewgaws for personal decoration, do not seem either to have studied sufficiently the habits of savage tribes, or to have made a close analysis of their character. They probably selected a period of development too late in point of time. There is little in the observations of naturalists or explorers to show that the idea of private

property could have preceded a dim conception of the family relation. It may be granted that the ideas of the chiefs or head men among savages would move somewhat in advance of the ideas of their followers or subjects. As they were chosen to direct and control they were to be considered as the proper custodians of all the tribal possessions; and while holding everything subject to their arbitrary will they might be expected to reach a dim consciousness of the benefits to be derived from personal possessions. They would soon learn to preempt for their own use whatever was best calculated to gratify their savage appetites. But even in the practice of this prerogative their conduct would serve rather to strengthen than to weaken the communal idea. Like the monarch of a certain nation more highly developed in the scale of civilization they were the State; and what they took was only the tribute due from the subject to the representative of his tribe. The tribe was a family in which the head was the only proprietor. When the chief assumed that everything was subject to his control he practically denied that anything could be subject to the control of his people except while his own power lay dormant; and the individual was lost in his subjection to the common head. But with the awakening of the domestic sentiments came, also, a newly awakened self consciousness, which, if not at enmity with the tribal instinct, demanded a new sceptre and a new throne.

There is a lesson here which has not yet lost its application in political institutions.

CHAPTER II.

THE EVOLUTION OF WEALTH.

Having found that the conception of private rights in property was due

to the institution of the family we are prepared to follow the object through the various stages of its growth until it expands into the complex objects denominated wealth. But neither at the beginning nor at any period of the investigation will be permitted to lose sight of the origin. The foundation will be uncovered at every turn. It will be manifest in the character which wealth is made to assume, and in the ends to which it is devoted. As the desire to provide a home where the domestic sentiments could be indulged in privacy and security gave the first impulse to the creation of property, so also will it be observed that the evolution of wealth has been due to the further desire to strengthen, beautify, and protect that home in all its environments, and to contribute to the improvement of its members. The germ will be found the parent of the sprout, the sprout of the trunk, the trunk of the branches, and the branches of the foliage and flowers that help to make the *ensemble* of the tree attractive. It will be seen, too, that in its uses the word property loses much of the sordid character which some philosophers delight in giving it, and that property rights become rights which the word sacred very properly qualifies. The accumulation of wealth may still remain selfish; but it represents an expanding selfishness. It is a selfishness that becomes sympathetic, and embraces a wide circle of objects.

But everything tends to prove the correctness of the theory. In the earlier stages of social evolution it will be observed that the first fruits of accumulated wealth are always laid at the feet of the domestic gods; and as civilization advances society becomes more and more sharply divided into family groups. While the savage indulges his nomadic habits, roaming from cave to cave in the forest or among the hills, there is but one family, the tribe. As he ad-

vances a step he becomes a hut builder, but still remains largely a nomad. At this stage of his development, however, he is enchained by his sentiments, and the hut begins to expand and take on more elaborate forms. It would be impossible to say through how many generations the process of transformation is continued. Only one race has proved its capacity to advance from the densest barbarism to a high civilization, and observation among the inferior races teaches only the principles upon which evolution must work. It fails to indicate the rate of progress that would be made by a capable race, and history can never record the advances of an unlettered people. But the advance in the beginning would probably be slow, much slower than the progress made from century to century after civilization had begun to write its records, and denote the rapidity of its strides. It may be that our gothic predecessors inhabited caves for thirty centuries. It may be that another thirty centuries looked down upon them from the boughs of the primeval forest before they made the next step, and learned how to construct anything beyond the simplest hut that ever sheltered a human being from the tempest or sun. Finally, perhaps another cycle, equal in duration to both the former cycles put together, bounded the period that intervened before Alaric led his barbarians to the gates of Rome, and taught them the art of carpentry and bricklaying by dissecting and destroying the huge specimen buildings found ready for their instruction. The duration of none of these times can be known; but we know that the hut of the savage finally developed into the cottage of the peasant. We know, too, that as the hut grew other changes were made apparent. Around the roughly thatched cottage upon every side rose a rude paling which defined the boundaries needed for the production of vegetable food;

and as a love for the chase began to give way to the pastoral sentiment, at a still later period, those boundaries were enlarged to furnish pasturage for flocks and herds. Barns, and graneries followed; and the savage was finally elevated into the civilized agriculturist.

But in all these changes will be observed the head of a household. Man is naturally a rover. Left to his own inclinations, with no ties to bind him to a definite spot, he will roam at will. He will follow the chase, and sleep wherever the chase leads. What savage, after pursuing the deer over the crest of the mountain until he had found the valleys on the other side, would climb laboriously to the summit again on the return were it not that he is attracted by a loadstone stronger than either his indolence or his inclination? It is the home on the other side that will make his posterity civilized men and women, and it binds him already with a continually strengthening cord. He or his children will remain on the one spot through many coming years of development only because it is surrounded by the associations of domestic life, and out of this gentle restraint will grow the organism of civilization.

But if we wish to discover all the potency of the domestic sentiment in the evolution of wealth we must pursue the investigation at the later periods of time, or in the more advanced communities. Go to the cottages in our own rural neighborhoods, and see what can be observed. Even in the most primitive of the rural fastnesses of the country we sometimes find the resources of the householder taxed to the utmost for the decoration and equipment of his domicile. The walls are occasionally frescoed, rudely it may be, but at considerable cost. The floors are covered with homely carpets, the furniture is of no mean pattern, and the table service suggests a free and liberal householder. The light, too,

streaming through neatly curtained windows, falls upon books, pictures, and musical instruments, and it is evident on every hand that either the head of the household has considerable taste, or tenderness enough to permit its exercise by his family at the cost of many an hour of added labor at the plow. There is something almost pathetic in observing how many years of progress are made in the advance of civilization before the more complex forms that wealth assumes cause us to overlook the fact that the sole object of accumulation is the promotion of the interest and happiness of the family.

But the argument is moving too quickly to its end, and deserting the ground upon which the investigation was undertaken. Having discovered the origin of property the proper starting point in studying the evolution of wealth will be found in the society where it was first born. We must go to rudimentary tribes, or back to primitive ages, and see how the desire for property would modify developing institutions and customs, and the final substance of the thing considered. It is not enough to say that men became desirous of securing the means of maintaining and protecting families, and therefore demanded personal possessions. We must look to see how this desire would work in producing political as well as economic results. Property, it must be remembered, is in one sense a creation of the law. It could not fail, therefore, of exerting a powerful influence over political institutions, and becoming, finally, the chief force in moulding constitutional systems.

Let us try, then, to conceive clearly what would be likely to happen in the first stages of social evolution following upon a discovery that it was not good for man to be alone. We must recall the fact that there was then no such thing as property in the true sense. Every thing was held in common, or so nearly

in common that private rights were undefined, and subject only to the physical prowess of individuals. There was the tribal domain. It extended as far in every direction as the tribe found itself able to maintain its superiority; but this offered no suggestion of private rights, and the possession could inure to the benefit of no individual save to the extent that he gained additional security against the predatory incursions of his tribal enemies. It did not protect him against the enemies that might arise in his own tribe when he began to assume relations which, even under the highest civilization yet reached, sometimes awaken very malevolent passions. We know to what excesses even highly developed beings may be led when two men happen to pursue the same object of affection; and with this knowledge to guide us we can readily conceive that the birth of the conjugal sentiments did not bring any additional softness to the spirit of concord. On the contrary they were the beginning of distrust, suspicion, rivalry, and possibly deceit. In placing men in a new environment they taught them that something was needed beyond the general security. Step by step it was found necessary to erect a great multitude of defenses within the main defense, and to hedge them about with carefully conceived regulations. Places of retirement and security which could be held under personal control once found, the right to prevent intrusion must be made definite and plain.

It is interesting to study the customs of savage tribes at the time when they are just beginning to take on the highest responsibility of civilization. We read of the strange ceremonials observed many years ago among the American aborigines through which the youthful brave obtained possession of his spouse, and carried her to the rude shelter prepared for her reception in the forest. Such ceremonials are still observed among the

remnants of the race roaming over the western plains. From the moment of the entrance of the new guest, the sharp pointed hut of bark or skins becomes a veritable castle where no second guest is supposed to enter unbidden, and whence all who would bring evil to either member of the household can be banished. It is the first fruit of the young savages providence. Save the tomahawk, the bow, and the single covering of skins which formed his entire outfit he had never before felt the need of any personal appurtenance. But now he must begin to gather and defend. Around him are still men habituated to live upon the common fund, and who feel no sense of personal property. They must be taught that so far at least as he is concerned there is a barrier which they cannot pass, and that he stands ready to protect his premises with all the force that he can wield.

But we cannot complete the illustration among a people who have fallen in the pathway of civilization, and seem doomed to be trampled out of being by the race that has compelled them to retire. Certain American tribes have shown the ability to rise above the grade of savages; and had they been left to work out their own destiny we do not know what they might not have achieved in the coming centuries. But they have either fallen by the way, or been enveloped in a civilization which is not their own; and we must look among races that have reached the highest culture to follow the successive steps in the evolution of wealth. However difficult to realize the conception, it is not so many centuries ago that our own progenitors of Britain were no whit more highly enlightened than the savages of the American continent, and we can find among them all the material needed for illustration. Instead of the American aborigine, then, place one of our forefathers of Britain in his mud hut surrounded by his family, and let us

try and conceive how he would think and act. He has, perhaps, so far succeeded in his endeavor to establish his rights that he has taught his neighbors to respect his premises. They will concede his title to the possession of his domicile. It was built by his own hands. It was fashioned from material gathered from the common domain, it is true, but the necessity for maintaining corresponding privileges within the reach of all will make this no barrier to the acknowledgement of his personal rights. His neighbors will not seek to intrude beneath his humble roof unbidden.

But, directly, the ambitious householder found himself confronted by a new danger. His domicile was his own, but he was only an intruder on the soil. The chief who represented the tribe (we are still compelled to speak of our respected progenitors as members of nomadic tribes) held title to the soil by virtue of his office as the tribal custodian. But the chief could do no wrong, and there ought not to be danger from this source, it may be thought. The householder should find protection in the tenure of the chief. But experience never proved that this security could be trusted. The humble proprietor of the hut found that he was liable to be displaced at the bidding of his chief. It may be asked how such an injury could be possible. But there may be found various causes for its infliction. The site selected may have been especially eligible; and the chief, already surrounded by the atmosphere of a rudimentary court, and influenced by incipient political juntos, may have had favorites to reward. To some of these favorites, he would gladly give the land. Very early, even at the dawn of civilization, the man who goes quietly about the duties of life, unheralded and unknown, finds himself liable to be pushed aside and ignored by the turbulent, jostling throng who make the military order

in rudimentary society, or, under more highly developed institutions, seek to control politically the administration of public affairs. No man can be safe in his own domicile under any circumstances to be conceived unless his title to the soil on which the domicile is erected is beyond invasion.

But the perplexities of our incipient Briton were not measured by the weakness of his title to his domicile alone. This was not his only nor his chief danger. There was another peril more directly impending. He could not find the means of subsistence within his hut. The trades were unknown, commerce was not yet born, the chase was becoming continually more and more difficult, and he must have space for the cultivation of vegetable food. Again, then, he must become a poacher on the tribal domain; and he must now enclose within his boundaries a surface still more likely to provoke the cupidity of jealous eyes. In the exact proportion to the increase of his needs his danger increased. Above him was his chief, listening with willing ears to the representations of favorites who had still other favorites to reward, and around him were neighbors, who, like himself, were beginning to find it necessary to extend their boundaries. He was subject, therefore, to a double danger, tyranny from above, and encroachment from every side.

We discover in this situation the origin of property in land. Next to the hut itself the soil became the object on which the care of the hut-builder was most solicitously bestowed. In finding the means of subsistence as the products of the chase diminished it finally became his chief dependence, and his best energies were soon turned towards securing a perfect title to possession. But it is not to be supposed that the final guerdon was cheaply won. At first thought we would presume that it would be gained with ease. One

would suppose that the large number of persons endangered would have led directly to an arrangement through which all could have been made secure. But the way was found full of obstructions. Among savage tribes, more highly civilized even than the earlier Britons, the labor of cultivating the soil belongs to the women, and the men devote themselves to the chase and war. The cultivation of the soil is therefore thought ignoble. It is held beneath the dignity of the true savage; and as civilization advances the situation is not rapidly amended. Arms soon becomes the only honorable profession, and agriculture long remains an occupation to be followed either by slaves or by men only a little elevated above a slavish estate. They are no better than the bond servants of the great chiefs and subchiefs, who, secure possession of large territorial areas, and hold them subject to the general head. It is still the tribal principle that rules; and when the humbler members of the tribe ask that they shall be protected in their personal possessions they are very likely to be told that they hold such possessions only by the consent of the chief. To him they are bound both in body and estate. The lust of authority is one of the strongest of human passions, and the disposition of men to form governing classes is everywhere manifest. This disposition is to be observed under the highest civilization, and it begins to work at the inception of social organization. From the beginning, then, we could look to see a fierce conflict opened for the possession of the soil, the tribal chief claiming to represent the tribe, desiring it as a source of revenue, or for the reward of faithful servants, while the occupant would demand a title which would hold good for the security of himself, his family, and his descendants to the latest generation.

This is just the struggle that awaits every people emerging from

savagery into civilization; and the road to a complete triumph for the tillers of the soil is made more difficult by their mutual jealousies, and their disposition to encroach upon each others claims. It is easy to conceive of bitter and deadly feuds over boundary lines when rights were indeterminately held, and the surveyor was unknown. Such feuds cannot always be avoided where the law has set metes and bounds; and even under the gentlest civilization any uncertainty in defining boundaries leads to endless litigation. But among a people just emerging from savagery these jealousies and encroachments enabled the ruling and military class to pose in an administrative and judicial role, and while pretending to maintain justice to really strengthen their own tenure upon the soil. We know that the struggle occurred away back in the prehistoric age of Britain, because it was still in progress when history began to leave a record of passing events; and it has occurred in every country that has risen from barbarism into the light of regulated constitutional government. Doubtless the conflict is complicated and aggravated in all countries by foreign invasion which introduces a completely robber element among the population, and brings new and stranger chiefs to aid in the spoliation of the native inhabitants. But the provocatives to the struggle are inherent in the earlier organization of all society, and men can no more escape it than the germ can put forth its sprouts and reach the surface of the soil without overcoming the obstacles that are found in its way. In Britain the struggle was long sustained with varying fortunes; and it was hardly yet decided in favor of the liberty of the soil, under the Saxon kings, when the catastrophe at Hastings befell. This battle was a direct, and, as it has long seemed, an almost fatal blow to the enfranchisement of the land in England. Following upon the disaster, the rights of the English

yeomanry disappeared, the land was partitioned among the followers of the Conqueror, who in their turn held not as proprietors in fee but as the bound tenants of the Crown. With the institution of villeinage added to aggravate the situation, the most rudimentary of all systems of land tenure was then practically restored.

But the restoration was not destined to be peacefully endured, and almost directly, again, the contest was renewed. Its renewal, however, was distinguished by new features. In place of the land holding yeomanry there were the nobles, each holding a province, or fief, under his control. But the new possessors were soon made to see that even a dukedom did not represent a family estate unless the land was held under some title more sharply defined than the caprices of the sovereign. The lord is as susceptible as the peasant to tyranny, and more likely to resent its infliction. The contest was renewed, therefore, and continued until it culminated, or seemed to culminate, in the grant of the great charter. But as a matter of fact it has not yet been brought to a period in Great Britain. The evils wrought by the first William have been entailed with the land, and perpetuated from generation to generation. The soil has not yet assumed the full character of property, as free upon the market as any other object of bargain and sale; and until it ceases to be held as a support for privilege it will not acquire this character. Nor will the battle end.

Here, then, in the struggle for the possession of the soil, we find the first great and significant manifestation in the evolution of wealth. It has been a most comprehensive struggle. The land has been alternately the prop of liberty and of despotism, of despotism first, and of liberty only after many long and hard fought battles contested under disadvantages on the part of the people who sought proprietary rights. Some-

times, too, the battle has been fought against overwhelming odds, and it has always been signalized by episodes of bloodshed. But it has been a holy war from beginning to end, it has been a war for the fire-side and the family; and the object has enobled the struggle.

But however bitterly the contest for the possession of the soil, may have been fought in the past, and however stubbornly it may be fought in the future, land cannot always hold the relative importance which it has heretofore maintained in the total of wealth. If it was once said it is not good for man to be alone, and if the first impulse to civilization was found in the observance of this wise saying, it may be said with equal truth that it is impossible for man to remain alone in his relations with society at large, and through his enforced commerce with the world beyond his own immediate environment the impulse to this civilization is continued. As wants multiplied, mechanical industry was born, and the specialization of labor began. When the hut expanded into a cottage the decorative sense suggested the creation of new forms, and invention began to contribute its exhaustless ideas for the supply of new wants. Then, step by step, the cultivation of the soil ceased to be regarded as the only dependence. It was never indeed, the only dependence. The chase preceded agriculture, and mechanical labor followed. Men do not naturally seek the isolation of rural life; and in their most savage state they are most gregarious. It is certain that the cluster of huts preceded the corn field. All the people of savage tribes lived in villages. But under the influences of newly developing civilization the village began to acquire an added importance, and to represent new functions in society. It became the home for the prosecution of the mechanical arts, and the seat of commerce. Its market, which

was soon found almost as much a necessity to the householder as his preempted rural domain, grew continually in size and importance. Each step in advance, too, prepared the way for another and longer step. The industrial arts cannot be prosecuted either intelligently or profitably by a dispersed people. Mineral products, wood, leather, and materials for woven fabrics must be brought from various and widely separated latitudes, and central points, or depots, for the storage of these objects are necessary. But once gathered they cannot be again profitably handled and transported in their crude form. They can be more profitably worked up into new forms of beauty or utility, and in this shape distributed to the multiplied points where they will meet with demand. Hence, the great city, with its huge factories and warehouses, rising step by step from the little hamlet that displayed only a blazing forge or two, and a few simple workshops and stores.

When the era of large and bustling towns is reached the evidences of the final complexity of wealth begin to increase. The rude boat in which the savage essayed only to cross rivers or small lakes has grown into the stately ship that sails over the surface of the entire sea, and penetrates to the most distant parts of the world. The pathway through the forest, made by the hunter or the war-plumed savage, has expanded into the broad highway, along which merchandise is carried from town to town, and artificial channels supplement the resources of natural water courses. Finally, as the greatest of the material triumphs of civilization, the railway, the telegraph, and the telephone bind continents together, and help to diminish space.

These changes of course add greatly to the number of material objects by which wealth is represented, and with them comes a great change in the process of its production. When

all the real wealth of the community, or tribe, was represented in the hut it is to be presumed that the owner was the sole fabricant, or that he received only the aid of assistants who would consent to work gratuitously, or for an exchange of labor service. But as the hut grew to the cottage the method of construction underwent a change. More time was consumed at the work, and the execution of the work itself soon began to require a special training. On the first requirement, then, the owner, if a tiller of the soil, could not afford to be his own housebuilder; and on the second he would find himself unable to build. In either case he must employ a housebuilder, and find some means of exchanging service. The cooperative method then begins to take the place of dispersed efforts in labor, and each person devotes himself to some special branch. But the objects pursued remain substantially unchanged. While the house-carpenter seems to be only engaged in preparing a home for the agriculturist, he is really preparing a home for himself, or providing for a household. With both persons the family still remains the chief object of solicitude. But the relations of the house-carpenter to society seem to have undergone a change. He is becoming a participant in the wealth held by the agriculturist, a wealth now apparently undergoing a process of division and distribution.

We see here an explanation of the fact that as society advances wealth appears to take on a communal form, and to become again, in certain of its features, a public possession. The appearance is due to the reciprocity of service maintained between the different members of the community. The motive of accumulation is lost in the process. But strictly speaking, although the term has economic sanction, there can be no such thing as public wealth, or public property. It is a contradiction in terms, indeed, to speak of a communal possession as

property. The word property in its final, or ultimate, meaning refers to an exchangeable commodity held for the benefit of individuals, and, except to the extent that it is liable to restoration to personal possession, any object that passes into the public hands ceases to be property. Who, for example, would undertake to place a value in dollars and cents on a public park inalienably held for the common use? An income producing possession held by the public might be estimated in value on the amount of this income, but only because it represents something which individuals might be willing to purchase. Except for this inherent feature it would cease to have any value. It could no longer represent public wealth in even the sense that all wealth held by individuals is a source of general emolument, and is

called public in the economic ritual.

We come then to discover at last that the final agency in the evolution of wealth under a high civilization is exchange. In the primitive ages of society when the householder builds his own house, fences his own fields, plants the seed, fertilizes the soil, and harvests the crop he collects about him a substance which may be sufficient for his own animal wants, and the wants of his family: but until he becomes a considerable contributor to the resources of other men his own accumulations will be small. Before they can become large his operations must be so extended that he will keep many men, laborers, artisans, and merchants, actively employed. But the inspiration to all endeavor will still be drawn from his own fire-side; and his most efficient service will be rendered in its behalf.

NOTE.

An objection could be raised to the claim that the origin of property is to be traced to the desire to maintain the family relation, and protect the household, and all its environments, against invasion. It may be suggested that man is not the only inhabitant of the globe that evinces the possession of the domestic instincts. Many of the inferior animals divide in pairs, and maintain relations that seem little less than conjugal in their character. The beaver, for example, according to the testimony of trappers and naturalists, builds himself a house which is shared exclusively by a single family, consisting of the male and female beaver and their offspring. We observe also the red breasted robins on our lawns always in couples, and they are models, seemingly, of faithful devotion to a single object. These are instances, but they could be greatly multiplied by other examples that seem to show that the animal instinct is sufficient, to establish family relations without any infusion, of more exalted sentiment; and, reasoning from analogy, it might be maintained that man, even in his lowest estate, would be likely to be controlled by a corresponding instinct. It might be assumed that from the beginning he would mate himself to one of the other sex, to whom he would tenaciously

cling for companionship. But among all the lower animals, and it may be said, also, among men in their lowest state of savagery, such alliances, when formed, are exceedingly brittle, and last never longer and rarely so long as the season required for bringing to self-helpfulness the first fruits of the union. The birds it is said choose their mates on each succeeding St. Valentine's day. This is a poetic superstition, or fancy; but is nevertheless represents a truth in natural history. Divorce follows each new union among the lower animals as fast as their progeny become capable of providing for themselves. It can hardly be said that anything like the family relation, with its far reaching sympathies and responsibilities, is maintained among the lower animals; and we have no reason to suppose that primeval man was any more exalted in his instincts. All observation teaches, indeed, that in his lowest estate, he is even more brutish than some of the inferior species, and is directed by hardly a higher intelligence. It is only after he has risen to that stage of development, where marriage ceremonials are observed that he begins to separate himself from his humbler relatives, and to open a career of personal responsibility.

CHAPTER III.

BANKING, AND ITS RELATION TO ACCUMULATION.

MONEY is sometimes called a commodity. It will be better defined when called the representative of all commodities.

Political economists have explained the theory of values in exchange, and the service rendered by a circulating medium. Twice the time is expended in the production of one commodity over the time demanded in the production of some other article of commerce; and here lies the first cause for a difference in values. The commodity produced in the shortest time should have only half the exchangeable value of the commodity which it took the longer time to prepare for the market. Two of the one should exchange against only one of the other in a barter. But other considerations are brought forward to weaken the force of this seemingly fair estimate. It costs time and mental or manual training to fit a man for the production of one commodity, while another may be produced by the most unskillful hands; and it is felt that this difference should be recognized in making the estimate. A recognition of the difference is forced, indeed, by the greater difficulty experienced in obtaining the products of trained workmen. The laborers throng at the gate in search of employment, while the trained workman is comparatively rare.

But these causes for a distinction in values would hardly be offered as a sufficient explanation for the invention of money. They would only show the need for a standard of values applicable to different commodities, and the difference could be still arranged in an exchange of labor for labor. But the final explanation is entirely satisfactory, and, though it may sound somewhat elementary to learned ears, it will be worth giv-

ing on account of its final bearing on the argument. There are formidable obstructions in the way of direct barter. It rarely happens that two men can be brought together who wish to buy of each other in any amount, and still more rarely when they wish to buy in anything like equal amounts. The house carpenter cannot afford to take the product of the artist's studio in exchange for the dwelling which he is able to construct. He wants food, clothing, and, so far as he is able to purchase, books, journals, and other light requirements for the instruction or entertainment of his family. The picture, therefore, must go to some other customer, or to the middle-man who will find a customer, and the house carpenter must have its representative.

This example, carried back to the beginning of mercantile customs when painters, if not, indeed, house carpenters were unknown, gives the true cause for the invention of money. But in the illustration it will be seen that a currency cannot justly be called a commodity. In the case supposed it is only the measure of the difference between the value of the product which the painter wishes to sell, and the value of the food, clothing, and other necessities which the house carpenter must buy. It may be said, too, that it is not even the money itself in its material or objective form which makes this measure. It is made merely by the units, tens, hundreds and thousands represented in the money. One picture with a numerical value of 2,500 units is exchangeable against a great variety of commodities having a combined value of 2,500 of the same numeral. Here lies the whole significance of a medium of exchange. It is merely a form of notation, a memorandum of service rendered, or of goods bought and sold.

The reader is asked to keep this illustration in view because a clear understanding of the significance of a medium of exchange is necessary to

a just comprehension of the true functions of the banker. The question of money may not at first thought seem to have a very strong bearing on the subject of banking. The banks are institutions with several functions, and their control over what is popularly known as money, or rather their power of issuing money, is not thought to represent a very vital function. The bearing, however, is sufficiently strong. Our political economy has been complicated with governmental affairs until men have lost perception of the just relation of the two forces. It would be better to say that they have never found this perception, for up to the present stage of evolution the chief labor of men has been given to the maintenance of government with its crushing wars, and its long lists of civil and military expenditures. Costly and wasteful to the last degree, and exhausting every resource for obtaining money, without which even a prince cannot set a battalion in the field, government has assumed economic functions, and been made to seem like an economic force. But as the most heavily governed country, the country where government is most frequently an intruder in the field of production and exchange, is always the poorest country we are forced to conclude that it has only succeeded in creating misconceptions. For this reason it is of the utmost importance that we have a clear conception of those elementary principles in finance on which all the transactions of society are founded. It will be seen in the sequel that the true character of a medium of exchange makes it a transcending force, too powerful to be bound to the capacity of a stamping machine.

Pursuing the methods of illustration followed in both the preceding chapters, let us go back to the beginning of the banking system and study, first, its elements, and then its final evolution. Let us trace the processes which are observed in the

details of banking through all their stages, and see what can be found that will aid us to comprehend the relations of banking to the accumulation of wealth.

It will not be necessary to go back to the beginning of social organization. It would be profitable, perhaps, or at least pleasant, to spend some time in investigating the origin of money. It could naturally be traced to a very early period of civilization, and be found to correspond in date with the first conception of personal property. The objects that would become mediums of exchange at such a time would be those which would most generally be desired for personal adornment. It has been observed that savages of only not the lowest grade are extremely susceptible to the love of gewgaws, the passion dating, it is to be presumed, from the dawn of their sentimental instincts. This fondness is about the first manifestation of an æsthetic feeling in the race, and as the desire for the possession of trinkets becomes ardent such objects naturally become, first, a standard for estimating values, and afterwards a medium of exchange. Explorers tell us that in Central Africa a few buttons will enable the traveller to buy service, or the means of subsistence, where fortunes in gold, silver, or bank notes would be of no more utility than clods. We should presume, then, that any savage having a few buttons, painted feathers, or strings of wampum would hold them as something to be preferred in exchange to anything else in the hands of any member of his tribe. His trinkets would correspond to the precious metals of civilization in his own conception, and in the conception of his fellows. This explains the use of wampum as money by the aborigines of the American continent. But this field of observation is a little too elementary for our purposes. It will not be necessary to go back further than the time when the numerals were introduced on a

stamped currency, and this will bring us to a period of some civilization. It will bring us to a period when agriculture was followed with system, and commerce prosecuted with success.

Let us suppose, then, that the age of barter has passed, and that industry has reached a stage where there is considerable variety in product. Men have begun to produce for the general market, and to receive in exchange for their product something that can be hoarded up against future exchanges. By common consent they have agreed upon a numeral currency by which they can measure the amount of their product through successive years, and hold the fruits in the form of accumulated resources. Now, the first impulse of men who had succeeded in laying away something in excess of their immediate needs would lead to hoarding. They would secrete the signs of their opulence in what they conceived to be the safest place to be found, or they would lock them up in strong boxes, and guard the key with the greatest care. They would often become even sleepless under the responsibility of guarding their treasure, and learn to watch at night for the coming of footsteps that might indicate the approach of either the burglar or the assassin. They would grow suspicious of men; and each step in accumulation would only make them the more miserable.

But it would not be long before they would find that hoarding is a very unprofitable as well as dangerous resource. They would soon be taught that a surplus can be put to better service than hoarding, that the men who have not can often better afford to pay for the use of money than to do without, and that it is a property of wealth to produce wealth. This we may be sure would be a discovery soon made. It would be revealed by the first of the neighboring farmers who had not been fortunate in getting together a surplus, but whose crop for the

season had yet suffered a blight. The unhappy farmer would find himself in a dilemma. He would see a threat of impending starvation if he could not succeed in reinforcing his own resources from the resources of some of his neighbors. Naturally, then, he would go to a neighbor, and ask a loan, promising to return the money after the next harvest. He would promise even to give a bonus for the use of the money during the year. But the neighbor, though a charitable man, might not be willing to trust his money to the hands of his needy applicant. He could see the advantage of the bonus offered, but crops are liable to blight, and the disaster that made the loan necessary could occur again. Then he would ask security, and accept a lien on his neighbor's farm. This is the inception of the banking system, the original transaction from which everything else has grown and fructified. But it is only the inception, the first sign of activity in a principle afterward to become most prolific in results.

Advance one step further, and observe the evolution of the idea. The hoarding agriculturist has made his loan, the needy agriculturist has found relief from privation, or a worse distress, by making use of the inert resources of his well provided neighbor; and at the end of the year he returns the amount borrowed with the stipulated bonus for its use. The lender finds himself richer for the transaction by just the amount of this bonus, and both men have therefore been benefited. But the lender has received a suggestion. It was only a portion of his hoarded resources which he had loaned, and this portion, in conferring a benefit on his neighbor, has become fruitful. All the remainder has lain inert and useless, a source of no profit to the owner, and a source of no relief to some possibly needy person who could have turned it to his advantage. It has also been exposed to

danger. Then why should not the holder of the surplus look around and find still other men who are in need of his assistance? There is both philanthropy and profit in the suggestion, and we know of no law that forbids the co-operation of these two forces, one moral and the other physical. No other two yoke-fellows in the world are better mated.

The next step of the money lender, then, can be seen in advance. He decides that he will find other men who are in need, and to whom he may entrust his surplus. He was living, it will be remembered, long before the age of Shakespeare, and had never read the advice of Polonius to his son in relation to borrowing and lending, advice that would forever make the great dramatic poet seem like a poor economist were it not for the vocation and expectations of Laertes, the person to whom it was given. He sets himself, therefore, to his task. But just here he meets with an obstruction. Perhaps all his neighbors are prosperous, some, like himself, having a surplus on their hands; and the remainder, happy in an abundant harvest, not wanting assistance. He sees no opportunity, therefore, to make his resources useful at home. But perhaps he will be more fortunate in the neighboring town. He will make the effort at all events, and if he does not succeed he will be none the poorer for his venture. To the town then he goes, but here he meets with still other obstructions. He will find plenty of men who need his assistance; he has but to stand upon the street corner and cry his wishes aloud to bring around him a throng of customers. Needy tradesmen, young men just starting in life, and old men at the last extremity of some misconceived venture, are all solicitous to obtain his co-operation. But he does not know that all who seek to make loans are honest. He does not know, either, even when their honesty can be trusted, that they

can offer him sufficient security for the repayment of his money. Evidently, then, he must find some trustworthy person to whom the complicated affairs of the town are familiar, and permit him to act as his agent. This third person will demand some compensation for his services. He should be a man of deep local insight into industrial and mercantile affairs, of good judgment, and of unquestioned probity. Such qualifications are not common; and they cannot be utilized when found without price. But perhaps the parties desiring loans will be willing to make up the amount of the compensation required. It seems only a reasonable expectation.

In this new assistant to the opulent agriculturist we discover the first banker. He is the most successful philanthropist that the world has ever known; yet in certain profligate stages of social evolution he has been about the worst abused member of society. He has been badly compromised by profligate oldest sons not yet come to their estate, and by adventurers of varied capabilities and degrees. But what is his real function in society? Studied in this early period of his career we see that he is simply gathering together the hidden and hoarded surplus of individuals, and turning it over to the service of society. Without his assistance this surplus could be of comparatively little utility. Men are too generally strangers to know each other's needs or resources. Dispersed and scattered through the country they are unknown to the denizens of the towns; and, if living in the towns, their pursuits are varied, their affairs often compromised, and their methods sometimes mysterious, well calculated to inspire distrust. Who but the banker could ever bring them together in such a manner that they can co-operate, and make the seed sown in accumulation productive? Here, then, at the beginning of the banking system, we see the banker an indis-

pensable factor in the utilization of wealth, and consequently in its growth. We see him also engaged at a work which can be called little less than benevolent in its results to the individual members of society.

Following upon the advent of the banker comes a long train of consequences of which the end is yet in the dim future. Once recognized as a factor in the negotiation of loans he soon seems to stand at the fountain of all the monetary streams that flow, and to control the gates by which the waters are regulated. He cannot control the funds that enter into production day by day, nor the smaller exchanges of the market. Industry and trade antedated his coming, and prepared the foundation for the superstructure which he has reared. His control, therefore, is neither absolute nor initial. But his institutions are rapidly becoming the representatives of all the surplus wealth of the community, or, to speak more accurately, the surplus wealth of all the individuals who draw incomes in excess of their personal needs. The community can have no surplus. The surplus of one man is the urgent need of another; and the banks hold a medial position for its distribution in such manner that it may contribute to the resources of society. In the execution of their office here they do indeed exert a very large control; and their power to prevent the waste of resources is incalculable.

But before proceeding with this phase of the subject let us go back again and observe what would be likely to happen after the entrance of the intermediary into the negotiation of loans. The first transaction under his management and advice may have been concluded beneath a green tree, or along some public highway. Or, the agriculturist, known for his thrift, may have been sought out in his corn field, and the compact was possibly made and signed over a stump. Either place of business

would have been consistent with the customs of the time; but it is not to be supposed that the intermediary long remained an itinerant. We say long in this case meaning not relatively long, taking the duration of all time as the standard for measurement. It is to be presumed that he would soon have found the negotiation of loans so profitable that he would see the propriety of selecting a headquarters where he could meet customers who were desirous of availing themselves of his services. But the evolution of social institutions is slow, and centuries may have passed between the time when the first banking transaction was completed and the time that saw the virtual establishment of the first bank. But the final period would come; and the intermediary, still busied, perhaps, with some other pursuit, such as gold smithing, would find himself ensconced in comfortable quarters and widely known as a negotiator of loans. Then would come a new step in development. In his double vocation he would see the need of strong boxes and burglar proof rooms to protect not only his commodities as a fabricant but the money of customers held temporarily in hand while the terms were undergoing arrangement. This would offer a new suggestion. Why should he not receive money on deposit equal to the amount of the securities that he could offer for its safe keeping, and receive a small bonus for the service? The money would be much safer in his hands than it would be in the stocking or strong box of the agriculturist, or the till of the shopkeeper. There could be no question that he would soon find customers. They would come from far and from near, not only to bring their money for safe keeping but to enable the intermediary to put it to use more promptly for their own benefit. He would soon find, indeed, that he was building more wisely than he knew. He would discover in the amount on

hand that, instead of asking payment for his services as custodian, he could afford to offer a small bonus for the privilege of holding it in his possession.

This brings us through the evolutionary period of banks of discount and deposit. But the utility of the banking system must not be measured at the time when it becomes the chief agent for handling the surplus wealth held by the different members of the community, and for the beneficent use of what, without its co-operation, would be largely hoarded and useless to the public. By its achievements in even this service it has kept countless forces in motion for the material advancement of society. It has built cities and towns where there would be only swamp lands and malaria. It has covered the ocean with ships, founded colleges and schools, and established our modern industrial system on a basis of unparalleled breadth and variety. But its service barely more than begins at this stage of progress, and in what now follows the reader will understand why this chapter was begun with a disquisition on money, or a medium of exchange. This is an agent which many philosophers seem to think entirely dissociated from banking functions, and subject to orders from some transcendental authority, which, definitely to their own conceptions but vaguely enough to the conceptions of men better grounded in first principles, they denominate the Government. It is because of this misconception that the true significance of a medium of exchange should be clearly comprehended, and that no detail should be neglected in studying the evolution of our financial system. It has been demonstrated by all experience that it is an absolute impossibility for government to control a medium of exchange. This is true, because a medium of exchange is inseparably connected with bank deposits; and there are few truths in our economic code that should be more promptly recognized.

Let us investigate, then, after the old method. Go back to a period not so distant as the time when banks were first instituted, but to the first years when they became fully fledged banks of discount and deposit, the period when bankers began to pay interest to depositors. What will we first observe? A depositor enters the banking room and places a bag of money on the table. It contains, say, £1,000 English currency, and after it is counted the customer receives a receipt for the amount. But this £1,000 represents possibly the entire surplus of the depositor, and though he may hope and expect to keep the account good, and even to increase the amount by future deposits, he may be compelled to draw from time to time to meet emergencies. But this may be found inconvenient. The depositor may have come down from Northumberland, and the banking house is in London. He could hardly be expected to come all the way to the city in a lumbering stage coach every time he wants to draw the trifle of £50. Then he must have some visible sign of the deposit available for small sums, more easily certified than his receipt, and the banker gives him a check book. He may write a check for £50, then, whenever it suits his convenience and the tradesmen in Northumberland will receive this check in payment for merchandise and utilize it again with their correspondents in London. What is the check, then, but a medium of exchange.

But captious hair splitting men will see a weakness in this illustration. The check they will say is not in any sense to be regarded as a medium of exchange, or a currency. It is only the visible sign of the money which is lying in the bank in London. But the money is not lying in the London bank, unless the banker has miscalculated his opportunities. It has been loaned at a higher rate of interest than it costs, and either the money itself, or its

equivalent, is rendering good service in some other field. The money has escaped; and the banker has duplicated its power as a medium of exchange! It is now contributing two thousand pounds to the circulating medium where it formerly had only the power of one thousand pounds.

Still this reasoning will not be thought quite satisfactory. It will be claimed that the transaction rests on a stamped currency foundation, and that the check can do the work of money only because it represented the money, which is still an entity, though it might be difficult to discover its location. But banks receive deposits, whether called by that name or not, of other substances than money, and on these deposits they keep in circulation bank paper of various kinds to an amount of untold billions. In these latter days of a highly developed banking system the amount of these securities is enormous. Think of the bank or bankable paper which rests on real estate or other mortgages, on stocks, on notes, and it might almost be said on mercantile transactions not yet brought to a fruition, in circulation in the United States. It is doubtful if all the gold and silver currency in the country, together with all the legal tender notes, would stand in comparison with bank paper, and paper maintained through the agency of banks, as one to one hundred. This proportion may be somewhat exaggerated, but not enough to make it worth while to try and reach a closer estimate. The preponderance of bank circulation, or of bankable paper that may be converted into a medium of exchange, is overwhelming; and it does all the work of a currency except the payment of small dues. The chief reason why it is not used for this purpose is because its use would be found inconvenient. Do we not find proof here that, as financial intelligence increases and commercial methods are perfected,

we are outgrowing the image and superscription of Cæsar? We shall certainly be justified in making an affirmative answer.

But of course this line of argument will still meet with objections. We shall be told that bank paper does the work of a currency only because it is the representative of a currency, and can be converted into money at the option of the holder. But it would be pleasant to hear an explanation of the process of conversion. It would sound not unlike an explanation of the feat of pouring the contents of a two gallon demijohn into a pint measure without causing the smaller vessel to overflow. We deny the force of the objection *in toto*. The majority of bank paper, an overwhelming majority of such paper, does the work of a currency not because it is the representative of money, and may be converted into money, but because it is the representative of property and needs no conversion. It represents stocks, bonds, mortgages on real estate, secured notes, and various other inventions, and is only put in terms of money because money has been provided with the numerals and denominations which, as heretofore explained, form the memoranda of exchange. Bank paper bears the figures that are borne by the standard silver dollar, only many times multiplied. It tells us how many pounds of cotton are exchangeable against so many yards of woven cloth, and this is the only kind of service that can be rendered by any currency. The industrial age is here. At every point we see the evidence that men are out-growing the swaddling clothes that have so long hindered their footsteps, and putting on new garments to enable themselves to run to and fro without hindrance. In their new garb they will demand enlarged liberty. The very advent of the banking system sounded the knell of communal processes in controlling the ma-

chinery of exchange; and though many generations, many centuries even, have passed since it began to germinate there was never any reasonable chance for doubt upon the final event. True to its instincts government has endeavoured to bind the new giant to its service at various times and places. It has even clothed him in its livery, and compelled him to associate among its footmen. But the absurdity of the attempt is becoming continually more and more evident.

Properly understood, the supply of a currency for an industrial and mercantile community is a banking function; and though the giant of abuse may throw his heavy bulk athwart the way, and by various devices try to screen the light that is dawning, the truth is beginning to prevail. The opposition to progress is not a manifestation to cause surprise. The science of political economy, more important than any other science for securing the welfare of the race, is of all studies the least generally apprehended or pursued. To confess the truth it is an infant and undeveloped science; and here is the first cause for the long failure to reach higher and firmer ground. But there is a second cause possibly still more potent than the first. No country has yet escaped from the incubus of a governing class. In a republic like the United States the power of this class is reduced to a minimum, and there are few who care to see it maintained. But it still lives, and it is not without influence sometimes in suppressing and sometimes in misdirecting the aspirations of men. It is the cue of this class to magnify the functions of government, and to attempt to give it the lead and direction. Thereby comes personal emolument, influence, position, and power; and the parvenue may become more susceptible than the born prince to seductive dreams. But let us not for a moment withdraw our eyes from the chief

purpose for which men labor, and while it remains in view it ought not to be difficult to separate the functions which belong to industry and commerce from those made necessary for the protection of society. Princes may tell us that money was intended to organize, maintain, and mobilize armies, and that it should be created and controlled by the men who make war or peace, and know the extent of their necessities; but we know that its chief purpose, under the ideal conditions towards which the highest republican civilization is tending, will be merely to measure the exchangeable value of products. By whom then should it be controlled if not by those who are trained to industrial and mercantile pursuits? The attention of such men is directed continually towards the market, and they know its needs.

It may be objected that this reasoning attacks the constitutional power of the United States to coin money. The objection, however, would have little force because it is not denied that it might be expedient for the community to regulate the form of that portion of the medium of exchange which remains permanently in circulation and is used for the payment of small dues. Such regulation is not necessary. The wampum of the North American aborigines shows that money is the expedient of commerce, and not the invention of government. It would have grown into being in substantially, or inherently, its present form had there never been a law passed providing for its coinage. It is not the creature of law, but of necessity. Still, it is desirable to have a uniform currency; and this probably could not be obtained except through the co-operation of the law. It remains a question whether the Government is the proper manufacturer of the object which its regulations have defined. But this is not a vital question. The purpose here is merely

to show the impolicy, inconsistency, and at the same time futility of any attempt on the part of the government at regulating the volume of the circulating medium. The banks should have the privilege of putting afloat all the money for which they find a demand, and can secure in circulation. We may be sure that they will print no more than they can use profitably.

In the three functions of the banking system, then, comprehended by discounts, deposits, and the issue of a circulating medium, we find in operation the three most potent forces for the direct accumulation of wealth that have yet been put in motion. In making serviceable the surplus wealth in the hands of individuals the banking system lays the foundations of a structure of almost undefinable extent; but when to this is added the resources of deposits, and the directly following and consequent spectacle of an enormous capital put into active circulation and made to contribute to the demands of exchange, the summit of the edifice towers so high that it becomes almost invisible. There can be little doubt that the astonishing progress of the last hundred years, not merely in the accumulation of wealth but in the arts and in the development of applied science, has been chiefly due to the stimulus offered by the banking system. It represents the arterial structure of the social body, carrying life from the heart to the extremities and from the extremities back again to the heart. None but practical men, or careful students, made familiar with its processes by experience or observation, can begin to estimate the measure of its utility. It represents the Aladdin of modern society, and more than realizes the dreams of the Alchemists who sought to transmute the baser metals into gold. The banks know how to do better. They transmute even gold, inert without their magnetic touch, into the sinews of industry.

Upon the whole, the banking system is of so much importance in its relations to wealth that, whatever changes are impending in the structural features of finance, we should be careful to see that it is in no respect weakened. It should be strengthened rather in every particular. It represents a special function, which should be kept carefully specialized and distinct. In the final evolution of finance it will stand even more completely than now as the representative of an exchange of service. Through its agency every contribution to the general fund will be made to yield the choicest fruit in personal benefits.

CHAPTER IV.

THE RELATION OF INSURANCE TO ACCUMULATION.

It is not commonly understood that insurance is a large factor in the production of wealth. A person who attempts to borrow money on an uninsured property cannot fail to discover that it is a powerful factor in maintaining values; but the act of taking out an insurance policy to prevent losses by fire, shipwreck, or any other of the various casualties against which property is protected by the payment of premiums, though a source of profit to the underwriter, is ordinarily thought to be only a precautionary measure of not much influence on the total accumulation of wealth.

This may be the true view in relation to property insurance. The total of wealth secured through underwriting against fire may seem considerable when estimated without regard to the total of accumulations in other fields, but when this comparison is made it will be found quite inconsiderable. It does not compare with the amount of wealth accumulated through commerce, and,

even combined with the banking operations, through which insurance companies are largely sustained, it would not begin to equal the accumulations drawn from the market proceeds of many small industries. But when we come to life insurance we reach a powerful factor in the creation of wealth, potentially, perhaps, when we take into view the destructibility of products and the need for continual reproduction to avert the ravages of time, the most powerful of all the agents. We have only to look around us to see the evidence that the payment of premiums on life insurance policies becomes the foundation for an immense capitalization, which, under the prevailing feeble methods in finance, seems almost startlingly large. Witness the huge assets of some of the more successful of our life insurance companies, their palaces that serve for general offices, and their ability to make loans on securities of every description. But these evidences are only the visible tokens of their opulence. Add to the amount of their corporate accumulations the private fortunes created through dividends on stock, and their tables of disbursements credited to the account of life policies paid, and the total is something well worth considering even among the large wealth creating forces.

Life insurance seems to be more firmly grounded in the principles of banking than fire insurance. The same process of capitalization on premiums is of course witnessed under the operations of both systems, but in fire insurance the policy, which represents the newly created value, can be said to have only a provisional value. Before a property which will fall to the policy holder can be created by the payment of the premiums there must be a destruction of property at least equal to the amount of the policy, and sometimes considerably greater than the amount. A policy may be carried for gener-

ations, and in a majority of instances is probably carried for this length of time, without contributing anything except the profits of the underwriter to the total of wealth. In fact it can never be a contributor to this total. It must be limited to the service of preventing the destruction of wealth. But a sustained life insurance policy creates a property with unerring certainty; and though the period of its erection into objective wealth may be deferred there can be no question that it will finally contribute to the total of resources. Measurably, it contributes from the beginning.

But here it will be necessary to become critical. We will admit all that may be claimed in favor of the beneficent character of life insurance, and give it full credit for all its achievements in the creation of wealth. It owes much to the banking system as a wealth producing agent, a system of which all insurance companies are largely exponents; but this cannot be permitted to detract from the credit due. It only entitles such companies to be held in better esteem. But after making these concessions it cannot be said that life insurance, in the present stage of its growth, is more than a germ. We may be told that it is an exceedingly well developed germ from the financial point of view; and were it possible to conceive of no more vigorous growth it would be necessary to admit the claim. But it happens that life insurance has a mission, which, if not transcending finance, compels us to recall the fact that the best services of finance are rendered in the field of benevolence, or produce results that may properly be called benevolent. From this point of view it cannot be admitted that the system has reached a very high state of perfection.

The very causes of the financial success of life insurance have been the causes of its failure to bring general security to society. It costs

too much money to carry a policy for any considerable amount, and it is carried in such manner that the insured person derives no benefit from the payment of the premium during his own life time. Unfortunately, therefore, only a few men are found who are willing to sacrifice themselves for the benefit of posterity. Men rarely look upon death as imminent until they have become so old that they can only obtain insurance by the payment of an enormous premium, and up to that time they usually prefer to pursue fortune with all their resources at their own command. They believe that they can make their means fruitful in bringing returns at least equal to the final returns accruing from a policy, and that they themselves, as well as their posterity, can enjoy the benefits. They are often deceived. It commonly happens that all their efforts to obtain much more than a substance ends in failure; and they often die and even leave their families in distress. But hope is a leading impulse in human conduct, and it follows men even to the portals of the grave. It is probably not possible to ever make life insurance through the agency of what are known as the legitimate companies a truly beneficent force for any except those who have comparatively little need of beneficent agencies. The men who could see most reason for insurance are the men who from physical disability, old age, or poverty are unable to place their families under its protection.

The advocates of co-operative insurance may intrude here, and point to the excellence of some of their own peculiar and varied systems. They will endeavor to show that they have reduced the cost of company administration to a minimum; that they are satisfied with little and sometimes with no profits; and that they are willing to give insurance for the mere cost of carrying the policy, a trifling

cost when able-bodied and robust men are selected as beneficiaries. But in the first place it is not alone the families of robust men and women who are likely to need insurance; and in the second place the career of co-operative companies, including mutual benefit, or friendly societies, has failed to show that any large proportion of men are willing to accept insurance on even the easy terms offered. In truth there seems to be some difficulty in convincing men that death has entered into the economy of nature, or that its advent can entail serious consequences to their families. It is not possible, therefore, to admit that insurance, though potentially a financial force that seems to have been created to supplement the banking system, and to enable one generation to contribute enormously to the wealth of succeeding generations, can be called, at its present status, more than a germ. Let us see if its inefficiency in the creation of wealth cannot be made clear.

The total of policies paid by all the life insurance and benefit companies in the United States during the past generation has been large. It will seem startlingly large to men who have never had occasion to look into insurance statistics. It may be roughly stated at \$2,000,000,000. But during the same period the national wealth has more than quadrupled, or increased, approximately, by \$30,000,000,000. It will be seen, therefore, that while \$1 has been contributed to the general fund by life insurance, \$15 have been contributed by the resources of capitalization working through the agency of industry, and by natural increment. True, this estimate takes no account of the total of private fortunes created or increased by the profits on insurance during the same time. The total of this amount would no doubt be found considerable, enough, possibly, to half equal the sums paid to the policy holders. But the two

combined, it will be seen, make a small total when compared with the material increase of the nation from all other sources.

Now, to still further illustrate the weakness of insurance, and at the same time its possible power when working under easily formed combinations, let us make another calculation. Let us suppose a system that would enable every man to carry insurance to the amount of \$5,000, the enabling feature of the system resting on the provision that the person paying the premium shall obtain the money at once, under proper restrictions for its protection, and invest it for his own benefit. On this supposition it is not to be presumed that any person, unless idiotic or feeble minded, would neglect insurance. Men have rarely such a poor opinion of their judgment that they think themselves incompetent to take care of \$5,000 if they only had the money. They are more prone to believe that they could even make it bring good returns. We will presume, then, that the practice of insuring would become universal under such a system, and that all men would soon seek its protection. Let us see the result at the end of a generation.

First, we must estimate the average adult male population of the country for the period named. The present total is probably about 20,000,000, but a generation ago it was not more than half so great, or 10,000,000. We may then fairly place the average at 15,000,000, and estimate on this number. Let us suppose, then, that during the life of the past generation there had been 15,000,000 adult male inhabitants in the United States carrying insurance for \$5,000 each, and estimate the amount that would have gone to their children, the end of the generation having now been reached. The estimate is easily made. It will be obtained by simply multiplying the total number of insured persons by the amount of insurance carried by

each person, and the product will represent the total of wealth added to the national estate. It will reach the truly magnificent sum of \$75,000,000,000. This is nearly double our estimated total of wealth at the time of the publication of the census report for 1880, all the past contribution of life insurance included. But this amount, surprisingly large as it may seem, is only the product of a minimum calculation. The estimate takes no account of the large number of women engaged in gainful occupations, large already and constantly increasing, who could very well afford to contribute to the general security. Neither does it take any account of the fact that the system of bond insurance, as proposed in Part First of this treatise, could be made self-supporting soon after its adoption, if not, indeed, from the beginning. When it had become self-sustaining there would be no restrictions on the amount of the insurance carried, no matter what the income of the contributors to the fund, and the combined increase, caused by the larger average of insurance and the increased number of insurers, might soon double the product. In this calculation it will be seen that insurance can be made the chief factor in the creation of wealth, surpassing even the resources of banking and credit.

But we shall be met by objections. We shall be told that the calculation is merely ideal; that in the first place it is impossible to conceive of a system that will enable more than a comparatively few men to carry insurance to the amount of \$5,000; that in the second place only a small proportion of these few can be induced to assume the obligation, and that, finally, it is idle to make estimates which are not justified by experience. The life insurance system has been growing painfully into being during the past four centuries; and we can only judge of its possibil-

ities by the results. If it must be admitted that those results are comparatively purile, then we have no reason to dream of doubling the national resources in a single generation through the agency of any system of insurance.

This sounds rational, but from the suggestions already made the reader will draw the inference that the resources of the insurance system are not thought to be yet exhausted. It is possible even that we have not more than reached the threshold of the temple, and have all the gilded interior yet to explore. True, life insurance has not proved itself capable of adding greatly to the general wealth; and while it is prosecuted simply for the benefit of posterity it is possibly true, also, that it will not become highly efficient. The obstructions in its way are many and various. They are not confined to those already suggested, but comprehend the obstacles raised by the mismanagement of companies, to say nothing of occasional dangers springing from dishonesty. But the chief obstructions, after the lack of human foresight and prudence, spring from a doubt if the system is economically sound. After paying hundreds and thousands of dollars on the account of premiums, too many men are heard reflecting that they would have been better off had they put their money in a savings bank, or in some paying investment, and received interest or profits. "See!" they exclaim, "my payments after all these years equal the amount of the policy, and it will never personally be of any use to me. Surely this cannot be a wise use for money." Such reflections are too common, and seemingly too rational, to leave a perfectly free field to the insurance broker. The complainants are generally in the wrong where their investments are made in a perfectly reliable company. In such a depository their money will not only be exempt from the casualties of trade, but the insured person will

practice an economy which few men have the self-denial to practice unless it is somewhat enforced. But the complaints will nevertheless be heard, and the complainants will be reinforced by observers who will point to the number of policies constantly forfeited through the non-payment of premiums, the failure having generally been due to the inability to meet obligations. These complaints and criticisms it must be admitted offer obstacles which will forever prevent the complete success of a strictly life insurance system. They are obstacles, too, which it would be idle to attempt to underrate.

But will it be possible to adopt a system of insurance that can be turned to the direct and immediate advantage of the person who pays the premiums? This is a pertinent question, and it cannot be expected that any man who makes the inquiry will be satisfied by inferences. He will want the answer made specific and in detail. He will wish to know by just what process insurance can be managed so that it will bring either casier living conditions, the chief boon demanded for the security and happiness of society, or direct personal profit. Unquestionably, at first thought, such a system would be deemed impossible. Wealth has already been defined as something due to an exchange of service. It is measured by its capacity of controlling exchanges; and it will be found impossible to create it by virtue of a decree. You cannot receive unless you have first given, or stand ready to give; and the total of any large fund is but the product of a great number of small contributions. To hope to create an insurance fund, therefore, without the sacrifice of personal resources, seems not unlike the effort of a man at lifting himself over an obstacle in a tub. But the resources of finance are almost infinite. It may be called the science of expedients; and it is hard to say if there are any impossibilities when

all its resources in making combinations are brought into service. It is undertaking a Herculean task when it tries to meet all the demands of society with an overwhelming majority of men refusing to recognize its principles, or to contribute to its work. But its labor will reach a better fruition when society has been taught that the creation of wealth is a finally financial exploit, and that all men who expect to share in its benefits must learn to become financially contributors to the general fund. Let us see, first, if it will not be possible to carry insurance not, indeed, without cost to the bearer but without any cost that cannot be recovered.

It can hardly have escaped observation in the course of this discussion that the practice of placing money at interest is held to be the chief secret of accumulation in all the ordinary transactions of production and exchange. The money thus loaned sometimes represents a surplus which would lie idle and unproductive were it not for the arrangement through which it is put to use; but it is often only the terms of money which are in use, the substance finding its true form in convertible property such as lands, houses, stocks, bonds, or notes. The amount of so-called money upon which interest is drawn is therefore enormous and incalculable. It lies at the foundation of all the industrial and mercantile operations of the community. But observe what follows. It is an agent performing a double service. It serves both the borrower and the lender. But it is not necessarily a condition of the arrangement between these parties that it should serve them equally. Whatever the circumstances of the lender he will be satisfied with smaller returns than he would expect to derive from more active operations. This is the first condition demanded for money lending, indeed, for there would be no borrowers, except among men in absolute distress (who find it difficult to borrow), were it not possible

to make a profit on the loan. There will generally be found a margin, therefore, between the profits drawn from the market for commodities and the interest drawn from money, and in this margin lies the most wonderful possibilities. To say truth, all business men are habitually performing a feat which looks like successfully trying the experiment of the obstacle and the tub. They are even lifting themselves by turning to their advantage the very forces that seemingly bind them to the earth.

The road, then, to a system of insurance where the burden may be carried without cost, or without any sacrifice that cannot be turned to gain, will be found in putting into operation the resources of interest and profits, and making the latter a contributor to the fund from which the insurance is drawn. In such a system life insurance, as it is commonly comprehended, will be only incidental. The real object insured must be the capital which the contributor to the fund will be enabled to create and use for his relief or profit, the product to go unincumbered to his family after his death should he not himself be successful in relieving it of all liens during his life time.

The alternative to life insurance, then, must be bond insurance. Insurance companies most broaden into large combinations of men whose personal income, drawn from whatever trade, profession, or pursuit they may happen to follow, can be made a basis for capitalization. In these companies the common words that belong to the ritual of banking must take the place of such terms as policies and premiums. A policy must be simply a bond which may be deposited in bank and checked against for the benefit of the depositor, a premium a certain percentage reserved from the income of the same person and paid as interest to the bank by which the bond is held. The money thus obtained will, of course, be held subject to investment

at the option of the bond giver.

Considered simply as a question of insurance, this seems to be the system demanded to overcome the weakness of prevailing methods. The mere suggestion that it will enable men to carry insurance without loss, a suggestion that will be justified by the most cursory examination, should be sufficient to recommend it to general favor. But it may still be doubted if the system can be made a source of possible profit. The illustration of the obstacle and the tub may still be floating in the imagination of the reader. In estimating on the death rate for a system that would undertake the protection of every member of the community, the sick not less carefully than the well, it will not be safe to make calculations on less than fifteen deaths annually for each one thousand members in a company. This would make the payments due to the insurance fund \$15 per annum for each \$1,000 represented in the bond. One thousand persons, that is to say, each paying \$15 per year, would make a fund of \$15,000, enough to give to the heirs of each person deceased during the year \$1,000. This payment would be one and one-half of one per cent. on \$1,000; and in some cases it might rise slightly above this percentage. The cost of company administration, too, would be something. It would not be large; but it would amount to a quarter or a half of one per cent., which united to the percentage on insurance, makes nearly or quite two per cent. This must be added to the interest on the bond; and it will be presumed, off hand, that the rate will be six per cent., or the legal rate, which is approximating six per cent. in all the States. The total charges against the insured bonds would, therefore, be eight per cent., a charge which few investments of the day can be made to cover. We may be asked, then, to indicate the sources of profit in a system of bond insurance.

On this calculation the obstacles in the way of profit seem considerable. But there are many points to be considered; and when they have been studied apparent obstacles will be found to greatly diminish. In the first place the chief cause at this time for the narrow margin of profit on investments is to be found in the intensity of competition. It seems to be the deliberate purpose of almost all operators to beat their rivals, not only in the magnitude of their enterprises but in the reduced price at which their services shall be rendered. The general public, too, with its usual discrimination in economic affairs, either looks on applaudingly at the spectacle, or finds fault because the services are not given at a still more ruinous sacrifice. A disposition to reflect on the consequences of a too reckless indulgence of this spirit has been recently observed; but it is still generally prevalent, and while it lasts the rates of interest, stimulated by the demand for money for investment, will naturally rise, while the margin of profit on operative transactions will fall. But the circumstances will change when all men have become investors. A different spirit will then prevail. Money will be found in abundance for all the investment uses to which it may be turned; and the chief solicitude of each person making an investment will be for large margins of profit. In this case, the work of the wrecker, as all men should be called who deliberately undersell the market, would be found both difficult and unpopular. It would be found so exceedingly unpopular that a man would be likely to be displaced from a managing position if he failed of making the property under his management bring good returns. It is easy to see, therefore, that a day might come when the absurd spectacle of to-day, the spectacle of interest rivaling profits in magnitude, would be seen no more.

But the hopeful prospect is not

ounded by the probabilities of better commercial management. It rests, also, upon a financial principle. It cannot have escaped observation that certain low interest bearing securities, such as government and municipal bonds, are eagerly sought by banking institutions. This is commonly thought to be due to the trustworthy character of those securities. But this does not tell the whole story. It may not be the only reason for seeking the investment. In coming into the possession of such bonds the banks exchange money, which bears no interest when lying in the vaults, for bonds which bear a low rate of interest, three or four per cent., and on the foundation of these bonds they may make new loans at higher rates of interest. Of course this could not be done profitably were the banks in their turn compelled to borrow money at high rates to replace the money paid for the bonds. But the power of issuing money, founded on the securities in their possession, cannot fail of adding doubly to the strength of those institutions in their support of investments; and this certainty helps to explain the reason for advocating, in the preceding chapter, an extension of the power. Its bearing on the securities of companies organized for the protection of the bonds of their members will be directly seen. The bonds of such companies, as we shall soon find, will be the safest securities in the market. The bondholders will be doubly protected, first, by the property in which the bonds have entered, and afterwards by the liability of the company to assessment if any default be made. The credit of the companies, therefore, would be altogether impregnable. It would be protected without and within, and at every point of attack; and there would be no good reason why their securities should not become the basis of the entire banking system of the country. Standing at the foundation of the money circulation of the

banks, their bonds could be made a profitable investment at no more than three per cent., and we could look to see them finally taken at even a lower rate. Then insurance operations could be conducted profitably for the men by whom the costs were met. The total charges against their bonds would not amount to more than five per cent.; and on this charge, with the additional security of a better regulated market, chances for profitable investment could be readily found.

In relation to the payment of rent, too, it can be easily shown that bond insurance can be made, if not directly profitable, a source, at least, of very considerable economy, which, in this case, amounts to the same thing. The tenant now pays in rent the equivalent of ten per cent. on the value of the rented premises. In this payment he gives to the landlord not only the interest at, approximately, six per cent. on the value of the premises, but he pays the taxes, the cost of repairs, and contributes also to the profits of the fire insurance companies, or, to what would be their profits had they not begun to put all their gains into their expenses. The tenant must meet these charges, too, and there is no possibility that he can escape their payment. The value of the premises means six per cent.; and were the landlord to attempt to reduce his own returns he would simply succeed in reducing the value of the property. The tenant is forced by an economic law to pay all charges that would cut the current rates of interest. But there is not one of these four charges, interest, taxes, cost of repairs, and insurance, that will not be reduced to the tenant when he becomes his own landlord through the agency of bond insurance companies. His payment in interest will be reduced through the operation of the causes explained in preceding paragraphs. His contributions towards the payment of taxes will decline, because when the in-

visible process of tax paying gives way to direct payment all men will become more watchful of public expenditures, and hold public men to a stricter sense of responsibility. The cost of repairs will be less when every man becomes his own householder, because proprietors, taught by the need of economy, are always more careful than tenants in their care of property. And, finally, insurance charges will fall when it is seen that there is no good reason why a bond insurance company should not protect the property of its members against fire at no considerable increase in the dues demanded. For this service no extra premises, no insurance brokers, no profits, and few additional officers would be required. There would be a reduction, then, on all these charges. But the chief gain would be in the payments that go to the landlord's interest account. As already explained, the interest on insured bonds would be much lower than the profits drawn from investments; and the member of a bond insurance company, for the same annual payment, could live in a house of twice the value and elegance of the home which he occupies as a tenant. Or, he could own the same premises, and live at a great reduction in cost.

These are reasonable calculations on the possibilities of bond insurance, and the idea of such companies can strike no practical man as contrary to the principles of finance. It will be recognized at once as on the line of financial evolution, differing only from prevailing systems in matters of detail. But the question that will be first raised will refer to the basis of security. Will not the companies be subject to mismanagement? Would not their operations be open to fraud, and possibly speculation, on the part of the officers? And, finally; not giving any pledges in objective wealth, could the members be depended upon to meet their obligations? These questions will be asked, and they will

have to be seen in advance that the ground can be made secure or it would be idle to propose the system.

First, then, with regard to company management. Whether or not such companies would be open to mismanagement and fraud would depend altogether on the powers entrusted to the managers. Were they permitted the control of a large fund, and left at liberty to invest it in corporate speculation, it would probably fare with them as it has fared with other men having like powers and opportunities. They would sometimes speculate, and they might fail; and then they might possibly try and cover up their tracks by fraud. But if they were allowed no such opportunities there could be no danger. If they were restricted to the mere duties of receiving the percentages reserved from the income of members as they were paid in, to discharging the interest on the bonds deposited in bank as it fell due, and to redeeming the bonds as fast as the death of members called for their redemption, there could be little chance for mismanagement. And, again, if the necessary reserves in the treasury were kept so small by statutory limitation, or even by restrictions in the by-laws, that they would no more than cover contingencies there would be little danger of speculation. It will be one of the easiest tasks in the world to so organize bond insurance companies that there would not be the slightest reason to fear any dereliction in duty on the part of the managers. In their administrative features they will be more like automatic machines than like organizations demanding a high order of executive ability, and a superlative degree of honesty. Honesty is commendable in any service; but it is not strictly necessary where the opportunities for the practice of dishonesty may be withheld.

Against the danger of default or irregularity on the part of members, the ground is equally well entrenched.

It is not to be presumed that any bond insurance company would fail to make regulations in its by-laws by which the members would be protected against the dangers of assessment, a danger that would always follow a default greater than the resources of a small treasury reserve. It would not, for example, allow a member to go to the bank and draw the money to be paid for his bond without assurances that it went into some tangible investment that could be held for its security. There would be little danger here, and with reference to the danger of default in the payment of the percentages to maintain interest the peril would be even less. The defaulting member would be the only sufferer. By failure in meeting his obligations he would forfeit his rights in the company, and lose the control of the property in his hands. It could easily be transferred to some more reliable person. There is nothing to be feared from any weakness to be detected in the securities of bond insurance companies whether we look to find the danger in the management or in the membership. Such companies will be incomparably safer than any industrial or speculative company ever organized. As time rolls on they will probably be found safer than any form of organization yet essayed by society. Their strength will arise from their ability to protect both their corporate bodies and their members.

Can it be questioned that when all the advantages of bond insurance are offered to the public we shall see directly an immense development of insurance, a development that will justify the assumption that the present growth is only a germ? What degree of stupidity would it not take to oppose the system? The most effective agent for the transmission of wealth from generation to generation is potentially insurance, and when it is shown that the final product may be

made not a fruit of economy and self-denial on the part of the generation by which it is carried but a result of wise financial management, bringing instant returns to the investors, the promise is exceedingly brilliant and encouraging.

CHAPTER V.

THE CREATIVE AND BENEVOLENT FEATURES OF FORTUNE HUNTING.

MUCH has already been said in preceding chapters that seems to make the subject of this chapter, unnecessary. Interest, dividends, profits, and, prospectively, insurance seem to be the chief factors in the creation of national wealth; and as the operations of both the banking and insurance systems are evidently creative and beneficent to even the most casual observation a further discussion of the subject might seem superfluous. Nevertheless, there is much to be said that bears upon the subject from points of observation where neither banking nor insurance are directly concerned. An equally good field for illustrating the phenomena of money getting is to be found in industrial and mercantile operations.

There is too much reason to believe that a general misconception exists on the meaning of the word accumulation. It is commonly thought to signify a gathering together of atoms already existent among the nebulous masses of property floating through the community, and that each segregation of particles leaves elsewhere a vacuum that can be painfully felt by all sentient beings who live beyond the boundaries of the newly formed crystals. It is supposed that the gain of one man is the loss of some other equally or more deserving person; and it is in great part due to this belief that large fortunes are often regarded with jealousy. It is not assumed

here that the belief is in any way positive or definite. The idea is only floating vaguely through the minds of men and coloring, or discoloring, their views of the relations maintained by society.

This misconception is very natural to persons not in the habit of analyzing economic processes very closely. Money passes from hand to hand, and, superficially, it seems beyond question that the men who have become most opulent are those who have been most successful in depleting the pockets of their fellows, and appropriating the gains to their own personal use. Hence the popular idea that the fortune of the millionaire is a direct fruit of public spoliation, either a product of excessive charges for goods sold to customers, for rents drawn from tenants, for service rendered in transportation, or of sharp unscrupulous practices in dealing with other operators or with employees. So commonly are these opinions held that it is not unusual to hear men say that no man, beginning at the bottom round of the ladder, can get together a million dollars honestly; and the very possession of an immense fortune, accumulated by the possessor through his own efforts, is sometimes looked upon as evidence that he is defective in moral sense.

Now, instead of these notions having any real justification in fact it is much easier to earn a million dollars honestly than to gain them dishonestly. Against dishonesty the way is hedged by innumerable obstructions. Society is in arms against the man who is commonly suspected of unprincipled practices; and by the time your true rogue has reached his first hundred thousand dollars the obstacles in the way of further spoliation have been reared to formidable proportions. Exceptions, due to the complicated nature of business transactions, and the fact that dishonesty may for a considerable time veil its operations from public scrutiny, may

sometimes be found to this rule. But the exceptions are not common. Men are boycotters by instinct. Observation teaches that the merchant cannot overcharge and thrive; and that the landlord who asks an excessive rental will soon find himself in the possession of vacant premises. So, too, with regard to the service of transportation. Whatever opportunities it offers for the accumulation of wealth are not offered at the expense of the public. Judging from the condition of a large majority of our railways it is the service itself that is subject to spoliation. Its engineers are kept continually at work bridging the abyss of bankruptcy. The man who attempts to obtain a fortune by dishonest means will find the rewards so limited that, if still found at large at the end of a long career, he will be prepared for nothing but small ventures, suggestive rather of units, tens, and hundreds, than of thousands, hundreds of thousands, and millions.

The accumulation of wealth is the creation of wealth. The process approaches more nearly to the orthodox idea of the creation of the universe, when non-existent substance was supposed to be spoken into being, than to anything else that can be brought forward for comparison. The wealth accumulated by any person in the prosecution of legitimate trade or industry is wealth in excess of the amount that would be found in the world had he made no personal exertion. His wealth represents neither the spoils of society, nor of the individual members of society. It represents a veritably new substance, formed, it is true, unlike the orthodox creation from existing elements; but they are elements which inhered to no individual before they were moulded into their objective forms.

We may go even further than the assumption that accumulation usually represents new wealth. We may say that no man succeeds in becom-

ing rich without carrying many other men on the road toward riches. A man successful in the pursuit of wealth improves the circumstances of many other individuals while adding to his own resources; and instead of representing a leech on society he represents not only a public but a private benefactor. He contributes to the resources from which many other men draw subsistence or profit. But men do not act as if they perceived this fact clearly; and it may be worth while to draw some illustrations from the ordinary transactions of life to show, the soundness of the proposition.

The examples to be found in industrial operations are all very common and familiar. It is in the transactions of the market where the work of spoliation is supposed to be most successfully practised. But there is an interdependence among all the departments of industry and commerce which forbids their separation. Men move and act in groups, even when they think themselves standing most supremely alone; and it is impossible to completely divide the artisan from the tradesman. One cannot stand where the other falls. We may very well look then for our first illustration in the field of industrial production, and we will find it where processes will be most readily apprehended. We will select the building industry. One work of construction would serve us as well as another; but house building offers such a familiar example that there seems to be a peculiar propriety in selecting it to illustrate the beneficent results of fortune hunting.

We will presume that the person, who undertakes merchant house building as an occupation begins without resources. He may have been originally a house carpenter; but too ambitious and enterprising to be content with the merely mechanical work of construction he has determined to follow the natural line of his evolution, and to develop,

through all the various stages that lead up to the man of fortune. He begins, then, at the bottom round of the ladder, and at the very first step in the ascent he finds it necessary to do an act which will benefit his neighbor. A landholder living near at hand has lands on which he is obliged to pay taxes, but from which he can draw no income; and as well for the purpose of making a part of his estate productive as for the enhancement of his remaining lands he is desirous of selling a portion of the property. He welcomes the ambitious house carpenter whom he thinks trustworthy and deserving, then, and gladly considers his offer to buy a building site. But he is not necessarily desirous of obtaining at once the entire value in money in exchange for his property. He is perhaps following no active pursuit where money could be made productive; and he is willing to accept a mortgage at five or six per cent, the payment of the money to be deferred until the house carpenter has reached the first step on the ladder. He may be willing to do even better than to await the payment of the principal. He may give a building loan with the land, sufficiently large to cover the cost of the foundation and pay the wages of workmen while the house is under construction. It may be said in this case that the fortune hunting house carpenter is the person chiefly benefited. But both men are probably seeking to increase their goods, and the benefits are reciprocal. The conduct of the landholder may seem the more beneficent; but this is only on account of his more independent circumstances.

But go another step and watch the continued operations of the law of reciprocity. The arrangement between the two men has led to an increase in the income of the landholder to the extent of the interest on his mortgage, and it has had a favorable influence on the value of his estate. It has also been the means of putting

a float a little more money, which, like ripples caused by the falling of a stone in still water, will flow a long distance in every direction, and benefit the entire community. But the builder has gained no profit. His eye is still upon the future. He has gained only a foundation for his structure, with the means of proceeding with his work. His next act, provided his plans and specifications are prepared, will be to visit the men who supply building material, and try to make a contract. The illustration is founded on the supposition that he is working with no capital of his own except his good character and business qualifications, and in this case the new step might be found extremely difficult. But it will not be impossible. He will find the men to supply the material, even to the last lintel or door post of a manufactured dwelling, and consent to take a second mortgage in present payment. Such a transaction might not be prudent on the part of the mortgagee if the first mortgage covered a building loan as well as the land; but men are to be found willing to sacrifice their prudence to their benevolence when they see a fairly good chance to make benevolence profitable. We may presume, then, that the builder will secure his material, and after it is obtained he will call in his workmen and complete the undertaking. But before reaching the completion we must not fail to observe that the builder has gone on dispensing benefits. That he has done anything for his workmen it might not be prudent at this time to assert. But with the giving of the second mortgage he begins the payment of interest to the mortgagees, and has thereby created to their hands a property equal to their profits on the transaction.

The building is now completed, and here enters the real estate broker. He is a personage who must needs have magical gifts, for it is in his province to make vital a substance

which is still inert and lifeless, and needs the touch of his extremely potent art before it can be endowed with a real being. If he is not successful in handling the structure on the market, much of the attempted creation will revert to its original chaos, and to the landholder only will go all that remains. The dissolving bricks, too, will carry down into nothingness considerable good material that has gone to the account of labor and other costs, and the ambitious house carpenter will stand as well as he stood in the beginning, except that he will find it more difficult to try any new venture. But the broker will generally be successful, and not only obtain enough for the house to clear off all mortgages, and pay his own percentage, another clear creation, but to give the builder a small profit.

Of course this illustration is to a trifling extent an exaggerated picture of the methods to be observed in house building. After a few years, and even at the beginning of their career, most builders have a little property of their own; but their possessions only somewhat modify processes. They do not affect principles. Builders do not put their own property in their work, except to the extent of giving a pledge of their good faith, unless they find a bad market for their product, and, after the sacrifice of personal resources in the payment of interest, are compelled to sell at a sacrifice. Neither will it do to say that the new building represents new wealth to the extent of its full market value. It represents new wealth only to the extent that each person engaged in its construction, either directly or cooperatively, makes a profit on his contribution. The final purchaser must cover the entire cost from his estate; and the new property, therefore, will be obtained only through a transfer of values.

Then you surrender the whole argument, it may be said. It is this

final purchaser who will be despoiled, and the spoliation will result from overcharges for land, labor, material, and interest. All the men engaged in the production of the property, from the builder to the commonest laborer, were combined for his spoliation. But it is not to be presumed that the purchaser will pay more than the market value of the structure. Nine times in ten he will felicitate himself over the shrewdness of his bargain, and think himself the richer for his new possession. Or, if he buys for the purpose of renting the property to a tenant, he will expect to draw in rents, after the payment of all charges, enough to realize six per cent on the investment. If he succeeds in his expectations the builder will certainly not transfer any part of the buyer's fortune into his own pockets. It would rarely happen that the buyer of a newly completed building would consent to sell on the day following the purchase unless he could obtain a considerable advance on the price. This shows that he thinks he has been made richer by the transaction. Then all through, from first to last, every man concerned in the work has either been made richer, or been provided with increased means of subsistence.

A still more forcible illustration of the process of creating wealth, and of its beneficent operation, could be found in the construction of a railway. It would be more forcible because of the more marked influence of railways on the values of adjacent property. Towns spring into being, and farm lands double, sometimes quadruple, in value along the route of a new road; and every dollar of increase, over the bare cost of construction, represents new wealth brought into being by the talismanic art of the promote. The total increase in values produced by railway building sometimes surpasses by many times the actual transfer of property represented by the money expended in construction. But,

differing only in degree, the hand of the house builder has also magical power over all property that lies adjacent to his field of operations, and increase follows upon his footsteps. It may not be so marked as the increase that follows upon railway building; but it is generally considerable, and sometimes enormous.

But, after all, argument and illustration drawn from any work of construction seems more like adding to entertainment than to knowledge. It should be so clear to the commonest observation that the accumulation of wealth through such works is the creation of new wealth that it seems like a waste of time to prove the assumption by an examination of details. It should be equally clear, too, that the increase made is not an increase that accrues to any one man at the cost of other men. In the illustration drawn from the house building industry the increase goes to the original landholder, to the dealers in building material, and to the manufacturer, as well as to the builder; and the golden shower is dispensed over all who come within its reach. If it goes in the larger proportion to the man who conceived and undertook the enterprise, and to whose energy all the increase is due, there should be found no cause for dissatisfaction. It would be the utmost limit of folly to assume that the man who obtains his fortune through works of construction reaches his ends by any acts that bear the most remote resemblance to public spoliation.

But it is over the commercial field where the atmosphere is most beclouded, and it is in this field that careless observers are more likely to think that men gain wealth at the cost of their fellows. But even here the idea, when entertained, is founded on a misconception. In the mercantile not less than in the industrial field the accumulation of wealth is the creation of new wealth, though

the process is not so directly visible to the superficial observer.

Let us try and make this process intelligible. But to relieve it of all obscurity this fundamental principle must be held in view. Wealth, properly comprehended, is represented not by an object but by the value of the object. The man who brings a commodity on the market is as much a factor in its production, using the word to mean the production of values, as the artisans by whom it was fashioned, or the agriculturist through whose labor and care it was grown. This declaration will not sound quite orthodox to men who believe that society should be organized, and its affairs administered, only for the exercise of their own special vocations. Such men do not comprehend the need for a multiplicity of pursuits. They would have everything cut to the measure of their own limbs. They look upon all who are termed middle-men as leeches on society, and fancy that their own circumstances would be greatly improved could all such persons be deprived of their occupation. But let us see what this would signify. All men, no matter what their occupation, are middle men. We must take society as a whole and consider it as the general employer, or manufacturer. It demands service for the supply of all its wants; and in its capacity of employer it sets the members of its household to their various tasks. It calls for some men to delve in the mines. To others it assigns the work of fabricating fine clothing or jewelry, while still others, again, are made to run to and fro upon errands. All men have their offices and their special fields of duty; but they all occupy equal ground. The house carpenter is as much a middle man as the corner grocer. Does he not stand between the builder and his final customer, and add to the cost of the structure by every stroke of his hammer? So, again, of the men following other pursuits

or callings. All the men engaged in the transportation of merchandise in the United States, and by sequence all the men engaged in the construction of the machinery of transportation, including not only the railways but the locomotives, cars, and steamships, are middle-men. So, too, are the engineers, brakemen, and firemen. They are engaged in the supply of wants which are only by indirection domestic wants, and it might seem to be very desirable to escape the need for their services. Finally, at the end of the list, stands the agriculturist. He, too, is a middle-man, and is simply engaged in bringing the products of the soil over the first stage in their progress to the market. Primarily, the soil is the real producer, and society at large the consumer. The agriculturist is only a producer in the secondary sense which places him on a level with all other men. Would it not be fortunate, then, for the denizens of the towns could the farmer be abolished, and his place supplied by automatic machinery which would do his work at no cost? But, in this case, where would go the labor of the towns, now employed in supplying the wants of the many million agriculturists and their families throughout the country? The agriculturist is trying to abolish himself by the purchase of reapers, mowers, and thrashing machines, to take the place of cradles, scythes, and flails. It is fortunate for the people of the towns that he only succeeds in reducing the hours of labor, and lightening his toil.

Society, in its capacity of employer, has need for all its workmen. It must be continually on the alert to try and increase the number of its servants, and to vary their employment. The labor of supplying the market with commodities, either at the hands of common carriers or of tradesmen, may be called a distinct industry; and its prosecution is just as strongly

a factor in the production of national wealth as the work of the agriculturist, or manufacturer. It is equally important, too, to the individual members of society. The new hat may be worth only \$1 at the factory. By the time it reaches the counter of the fashionable bazaar it will be worth \$2. But to whom will the increase form the chief source of profit? It will be distributed, first, among the employees of railway and express companies. It will go in the second place to the hands of porters, salesmen, and book-keepers; and a portion will aid in discharging obligations for rent. But wherever it goes it will form a contributing rill to the larger stream that represents the resources of the community. The second dollar will be of just as much importance to society, and to the individual members of society, as the first dollar; and though its loss might seem to represent personal gain to the final purchaser of the hat it would be a gain, which, if made habitually by all men in all their transactions, would finally prove their loss. The contributing rills from a thousand sources that have helped to swell their income would dry away, and fail of bringing their customary supplies. If the purchaser has succeeded, then, in obtaining the hat for \$1 he has been the only despoiler.

No, it is not true that men accumulate fortune at the expense of their fellows. The logic which makes the accumulation of wealth the creation of wealth is irresistible; and men earn their fortunes or subsistence by a system of beneficent co-operation. The increase, too, which comes from the power of wealth to duplicate itself through the contribution of interest, either alone or co-operating with profits, is subject to the same general law. It gives through its thousand distributing channels more than it takes from the individual, and returns double fold to the community. As to the much

abused law of unearned increment, that powerful factor in the creation of wealth, it is the contribution of Providence co-operating with men, and it is the chief agency through which that beneficent power operates. The other agencies are mainly of human invention. But it cannot be denied that a peculiar combination of circumstances in human experience almost compels their adoption. So it all seems providential at last.

CHAPTER VI.

WEALTH AN ENFORCED CONTRIBUTOR TO THE PUBLIC WELFARE.

The subject of this chapter grows from the subdivision just closed. It was seen in the argument maintained in that chapter that the process of creating wealth is carried forward by co-operative agencies, and that every man on the road to fortune contributes to the resources of a great number of other men, the rewards of the operator having a close proportional measure to the extent of the benefits conferred. It is the purpose now to show that the conferring of these benefits is really enforced by laws that regulate and control the conduct of men, and that it is impossible for any man to pursue or to hold wealth without contributing to the prosperity of a great number of men, many of whom may be very remotely connected with his operations.

The reverse of this proposition, commonly entertained, grows out of the sharp contrasts between wealth and poverty, and the apparent selfishness, or exclusiveness, with which the rich pursue their interests or pleasures. They seem to study the interest of no men but themselves. They buy where they can buy cheapest, and they even take advantage of opportunities for gain where some other person seems palpably forced to lose. Finally, they pay for all service only up to the price that they are forced to pay or forego the

advantages of its employment. The possessors of large fortunes seem, therefore, to hold them for their own exclusive benefit; and as their accumulation was apparently due to processes suggestive of spoliation its continued possession is looked upon as merely personal gain for which there is no beneficent counterpoise. Of course such opinions are not held by thoughtful men; but they are sufficiently prevalent to misdirect the public mind in social and political movements.

In favor of these opinions this much may be conceded, and in the minds of a few men the concession will no doubt strengthen the view. Unless the emotions inspired by family sentiment can be called benevolent, no man pursues fortune with a benevolent object. Or, perhaps it would be better to say that only a few men have any such object in view in the pursuit of wealth. A few men have seemed to accumulate for the purpose of giving their accumulations away, men, for example, like George Peabody or Peter Cooper. They were generous souls, known rather as philanthropists than as men successful in the pursuit of gain; and their money was unquestionably used to promote higher objects than if it had been handled by men of less benevolent views. But it is safe to assume that even these men did not begin their career either with any design of creating a fortune for distribution in charitable work, or of rearing educational institutions of no material benefit to themselves or families. This determination was the result of after-thought caused by the observation of mature years. Their first inspiration to activity was drawn from their own interests; and let men deceive themselves as they may, a sense of self interest and personal enjoyment, each man directed by his own instincts, forms the basis of all the philosophy of youth. Of course, then, we must concede that the motives of men who pursue fortune are

selfish, and that few great fortunes would be reared were not selfishness the impulse to exertion.

But at this point the concessions must cease. We can go no further than to admit the selfishness of the motive; and after this admission will be at liberty to follow the results. Wealth, whether held in large or small totals, owes its very being to its power of contributing to the general welfare. The moment it loses this power it loses the character of wealth, and degenerates into something neither worth pursuing nor holding. It is the treasure of the miser found stored away after his death in the crannies of old tenements. Nay, it is not worth even so much. When it becomes useless it is resolved into its original elements, and remains no longer an entity.

We must again undertake the task of dissection, and look into the substance of the thing which men pursue with so much avidity. Of what is it composed? The answer has already been given in general terms; but it must be recalled to meet the demands of this subdivision. Fundamentally, then, it is simply a power of exchange. We confound it often with its objective forms, and call it by the names under which it has been classified. But every living body must have a soul, or interior principle of being, and we must search out this soul before comprehending the true significance of wealth. Intrinsically, the object considered is a mere title to something which enables the holder to command the services of a definite number of persons, this number to be estimated by the total amount of the resources in his possession. Year by year, sometimes painfully and with great effort, and sometimes with facility, the man in pursuit of fortune goes on piling up the signs in notation by which the services rendered to other men are kept until he finally finds himself able to control hundreds of thousands, or, it may be, millions of dollars. But not

a dollar has been won in the pursuit of legitimate gain for which the holder was not compelled to give an equivalent in service. Perhaps the wealth is represented in merchandise. But the stock of the tradesman cannot be gathered together without putting in motion every resource from which men draw subsistence or profit. Labor, the machinery of transportation, and the resources of finance, are all involved; and each has received its contribution, or, let it be said, rather, its tax money, from the hands that seemed to work only to compass their own overflow. To obtain his supplies the merchant has been forced to stand in a subject position before all these potentates, to study their demands, and to yield obedience to their laws. Perhaps the fortune hunter is hopeful of increasing his gains by holding railway stock. The very value of such stock, and its power of returning income, is dependent on the utility of the service rendered. It will be more dependent on the utility of the service, indeed, than upon its efficiency. Profit may be gained from uncomfortable and dirty cars, and from ill-mannered agents and conductors; but it never can be won from a useless service. Perhaps the fortune hunter is satisfied to keep his possessions in the form of gold and silver, or bank notes. Then it must be loaned out to use, and made productive in the service of other men. Lying in the bank vaults it will become covered with rust or go to decay. The hand of death has placed its sign upon everything objective. It is only principles and modes of motion that endure forever, and the very existence of wealth is dependent on its continued activity. Whatever the form assumed it must serve the public or vanish; and no man's fortune can be called exclusively his own. He may hold it under his control; but he must make it generally useful or it will desert him, and he or his posterity will be left stranded and without resources.

It will be worth while to pursue the discussion with the usual illustrations from real life, heretofore depended on to strengthen the argument. Let us suppose, then, that the rich man is a large householder; that his wealth is represented exclusively in houses and lands; and that his entire income is derived from rents. There seems to be less reciprocity of service between the opulent householder, holding for investment, and society at large than between rich men and society when the former are engaged in more active fields. The householder has perhaps bought his houses after the builder had discharged his workmen, and placed the property on the market. It can no longer, then, as it seems, contribute to the resources of the skilled artisan or the laborer, and at the best, after swelling the bank account of the landlord, can only add to the resources of the agent, and a few janitors, and give high priced shelters to those few tenants who find themselves compelled to lease. Without reflection, it seems to be a case where all the service is rendered to the householder, and little, except the boon of shelter, is given in return.

But observe even here the impossibility of escaping the operations of the general law. Before the purchase of the property the builder had finished his labor, and discharged his workmen. He had been compelled to discharge them because his capital was all locked up in the venture, and he could not proceed with his building operations. But in the purchase of the property the householder released this locked up capital, and permitted it to be put to the construction of other work. Since its release it has not ceased to be active; and it is still active in giving employment to possibly the same housecarpenters and masons who were formerly employed. It will continue active, going from venture to venture, as fast as the transaction is repeated. Then the new proprietor

remains practically an employer to the full extent of the employment given in the construction of his property. The builder would have been powerless without his cooperation, or the cooperation of some other person with corresponding motives. But with this cooperation he has been enabled to undertake new ventures. There is no escaping the logic that leads to this conclusion. We see here simply an illustration of the law which compels cooperation; and we discover at once that the new proprietor could not come into possession, of his property without becoming a beneficent agent.

But we need not end with this illustration when demonstrating that the landlord is necessarily a contributor to the general good of society. That he is a powerful agent in helping to sustain the structure of finance is beyond question; for we see his hand at the foundation of all institutions designed to maintain credit and provide security. But it is among the smaller operations of men just beginning, like the builder, to ascend to fortune, or struggling to escape from the embarrassments of poverty, that we see his greatest usefulness; and it is only by a close analysis that we can find the full extent of his enforced contributions to industrial and mercantile success. There is always a good reason when a man takes possession of rented premises, and the reason is not always to be found in his poverty. It may be sought in a sound economic motive. Many comparatively rich men are tenants. They simply substitute the payment of rent for the payment of interest. They prefer to carry the wealth represented by the house in stocks or merchandise. It can be made more productive there than when embodied in the more inert brick and mortar. At first thought the exchange may not seem sensible. Rents, in their combination of charges, cost more than interest. But here is the saving feature. Rents

can be paid without giving any security; but money cannot be obtained without some pledges for its safe return. The business man is therefore willing to pay the equivalent of ten per cent in rents and invest his own money in operations that may return more than ten per cent. He might own the house and mortgage it; but taxes, and other charges, would still cause it to stand him ten per cent out of pocket, and he would besides be subject to the discrediting, though often unbusinesslike, aspersion that rests against the proprietor of a mortgaged domicile. Neither could he obtain its full value on a mortgage. He therefore pays rent, and thinks it good policy. He compels the landlord to contribute to his mercantile resources. It cannot be denied that reciprocal service is rendered here, the landlord helping the tenant to enlarge his operations, and increase his market. It will often happen that the tenant will win largely increased fortune through this enforced cooperation of his landlord, though superficially, and perhaps profoundly, the latter is governed by selfish motives.

Again, among the men who pay rent not from choice but from necessity we can find innumerable examples to show that wealth invested in houses and lands, is forced to contribute liberally to the public welfare. The men of this class may find rent paying a hard and oppressive obligation. They unquestionably do find it a very distressing burden; and ought to look earnestly about them to find legitimate means for escaping the load. But how many of the now opulent owners of factories and mercantile warehouses would have risen above the position of clerks or journeymen mechanics had they all been compelled, as a preliminary to their career, to come into possession, under prevailing methods, of a title in fee to the little shops and store rooms where their ventures were first undertaken. Very

few, it is to be presumed. It would have taken them the better part of a life time to prepare for their true beginning. Broken in heart and courage, they would finally have come to regard service as their only alternative and hope.

Let us descend still lower in the scale, and, leaving the premises appropriated to trade and industry and the quarters rented for the purpose of increasing operative capital, find among the enforced tenants of the tenement house neighborhoods, and elsewhere, examples to show that wealth invested in houses and lands can remain wealth only so long as it is made to serve on a mission of benevolence. It is common to speak of the landlords of these houses as an especially rapacious class of men, and they are made the chief objects of attack by social revolutionists when inveighing against the selfishness of what is called capital. The tenement house landlord is a hard master. True, but the elements are a much harder master. The tenant would like more space, better ventilation, and less objectionable neighbors. He could gratify all these desires in the green fields, or in the forest. It was wealth that brought the cave dwellers out of their fastnesses, and it is still wealth that gives them such comforts as they enjoy. We should be forced to maintain that the inhabitants who once peopled the territory adjacent to Central Park, and covered it with slab huts, the domiciles at once of the proprietors, their ragged families, and their pet pigs and goats, were better housed than the tenants of the east side tenement houses before we could admit that even tenement house property is not a boon to the poor. Their environment in such quarters might be improved. It will unquestionably be improved; and it is to be hoped that the improvement will come in the near future. But it will not come as a result of any of the various wild attempts, from time to time made, at

the destruction, or what means the same thing, the impairment of wealth. The difference is only in degree.

In holding the argument so strenuously to the defense of wealth represented in houses and lands it is not the purpose to imply that the relation of landlord and tenant is a proper, or sensible, relation to maintain. On the contrary, it is the consistent purpose of these pages to show that it is not a proper relation, and that its maintainance is a relic of a low state of civilization, soon to pass away and give place to a better system of interdependence. The purpose is only to show that, even in the field where it is thought to be most oppressive in its effects, wealth inherently represents only a beneficent force.

But there may be men who will say that all this can be granted without breaking the force of the charge that great resources are often used oppressively. Men are selfish and exacting, and disposed to insist on the fulfillment of the letter of their bond, no matter what suffering follows. This may be true; but it is impossible to admit that it is a cause for complaint. It is a cause for admiration when we meet men who seem totally unselfish, ready to forgive a debtor, and, apparently, almost willing to place their fortune at the disposal of the unfortunate and needy. But it is doubtful after all if such men do more good with the wealth of which they come into possession than many of your hard, pushing operators who insist on making every dollar under their control contribute towards the production of still another dollar. One of the best charitable institutions in the world is the factory which gives employment to a thousand men. It is only excelled by the factory which gives employment to several thousand. Think of the amount of food and clothing which such an institution distributes, of the number of doctors it keeps in the service of

needy invalids, and of the means afforded for, acquiring intelligence, culture, and even refinement. We have no wish to disparage kindness of heart. It is altogether an admirable trait; and it dispenses blessings upon all who come within its influence. When joined to great wealth it is capable of alleviating an infinite deal of suffering. But when deprived of this ally it is altogether powerless. It cannot even prevent the distresses of the heart by which it is indulged. We are unable, therefore, to place the merely kind hearted and philanthropic man by the side of the great operator, and to pronounce him equally capable of providing social emollients. We find ourselves compelled to largely judge of his usefulness in society by the amount of wealth that he controls.

There is something that looks like an infinite and all wise design in the operations of the law which compels all who study their own material advancement to become contributors to the general resources of society. The more strongly a man is selfish and self-seeking the more actively will be set in motion the machinery which works towards ends that cannot be called other than benevolent. The most rapacious man in the community, when his operations are confined to legitimate fields of enterprise, may be among its greatest benefactors. If truly rapacious, and his traits are publicly known, his benefactions will go unheeded. He may be denounced, even, for a public enemy. But the public will share in the fruits of his victories, though it may refuse to water his grave with tears.

CHAPTER VII.

THE IMPAIRMENT AND DESTRUCTION OF PROPERTY.

We have sketched hastily in the preceding chapters the origin and

evolution of wealth, and have endeavored to make plain the real significance of the word property. We have found it to be a substance created at the birth of sentiment, and designed to contribute to its sustenance. It was found, also, to have sprung inherently from an individual and not from a communal instinct, and to owe its very being to personal aspirations and desires. But we have not failed to observe that in the course of its development it acquires a much broader meaning than it possessed in the first stages of its growth, and that, under certain aspects, it seems to become an appurtenance to society. In these changes, however, it loses nothing of its original distinction. It can never surrender its inherent personal quality without rendering up its own being, and reverting to the chaos from which it sprung. But as society becomes more complex there rises a growing condition of interdependence among its members, and wealth becomes more and more an object of general utility. As explained in the preceding chapter, it finally, through the specialization of employments, reaches a plane of development where it cannot be enjoyed without seeming like a general fund from which all men draw their subsistence. It is after it has reached this plane that it must now be considered.

It should go without saying that, so far as wealth has societary relations, the larger the amount in existence the greater will be the general benefits conferred. If wealth furnishes employment, stimulates trade, promotes education, and adds to refinement, and to civilization, then we cannot go forward too rapidly in the work of accumulation. The factory engines cannot be driven at too high a pressure, the merchant, when not unmindful of his health and means of cultured enjoyment, cannot sit too long in his counting room, nor should the laborer ever become weary with his toil. To them and to their

children will come the rewards of their activity. In recompense for their exertion, they can sit more securely within their homes after night-fall, and rise more cheerfully on the morrow in the confidence of a still better and brighter day. If all that is to be done is to make haste and increase the national estate, in the full confidence that the work will supply increased means of enjoyment, the world's task is simple, and men cannot mistake their duty.

But here, directly, we break down. We discover at once when we undertake to assign men to their places that the old idea of property as a personal appurtenance has lost nothing of its force. Men are not working for society. They are working for their own personal benefit, and the benefit of their families, the results of their work to extend through two or three generations. Nay, it is certain that the old idea of wealth as something inherently a personal possession is gathering force, and that it is stronger now than at any former period of social development. We know this to be true, first, because we have seen that every advance in civilization is an advance towards greater self-consciousness, or self-hood exaggerated into selfishness, if you will, and in the second place we know its truth because history teaches sometimes the gradual and at other times the violent breakdown of communal institutions in all countries that begin to move in the direction of political freedom. It follows, therefore, that we will have to deal with wealth in the future as it has been dealt with in the past. It must be treated as something designed for individual gratification, and not for social or communal use. Men are beginning to even look askance at a political economy which teaches merely the art of accumulating national wealth, and leaves to undeveloped financial and industrial methods its distribution among the members of society. The community

is at a discount. The individual passes at par, and he demands for his ideas the free circulation that a currency at par will always receive.

Nevertheless, the societary character of wealth is still maintained, and it will always be maintained with a constantly increasing tendency, we have the right to presume, to a more widely distributed usefulness. As it grows in amount it will grow in its power to lift all men to a better environment. It is to be hoped, too, nay it is believed, that the day is already at hand when better theories of production, and a better system of distribution, will give to all men a competency, and relieve even the most abject from the distressing poverty which has so long held an over-whelming majority of the race in fetters. But this is in the future, while the national wealth as it is now constituted and distributed is our immediate concern. It is our duty to preserve and increase the total by every wise and legitimate means to be found within reach.

But this does not seem to be the view of certain philosophers and statesmen. Because wealth is unequally distributed they apparently think that all that exists in excess of a fair allotment to each person should be destroyed. "Beware! of the coming billionaire," exclaims one. "Confiscate the land," ejaculates another. "Reduce charges on transportation," says the third; and then a chorus rises from all quarters which calls for such a summary repression of profits that the merchant or manufacturer stands dazed and bewildered. He does not know from how many nor from what points of the compass the next attack will come.

Now, as to the coming billionaire, it would be a consumation devoutly to be wished were there a hundred thousand such opulent citizens in the United States. The amount of good which they would be forced to do to make their possessions productive is

beyond calculation. They could find it to their profit to dry up all the swamp lands, and free us from malaria. They would need to open innumerable new channels of communication to be even able to reach their fields of investment, and hold their property in hand; and we should see start into being such numberless new picture galleries, libraries, and colleges that we should almost fancy ourselves a nation of artists, authors, and professors. We should have a national opera company, and a national conservatory of music, without question. But, unfortunately, (and it is one of our disabilities) we are not yet certain that any person has passed his first hundred millions, while an incalculable number of men will not consent to control so much as a few paltry hundreds. As to the suggestion looking towards a confiscation of the land, it is even worse than the warning against the possible billionaire. Were it possible to abolish property in land, without finding somewhere in interstellar space a spot for the occupancy of our corporal bodies, which it is not, we could not abolish it with inflicting on ourselves an almost irreparable injury. Land, or to speak more comprehensively, space, now represents nearly half of our national estate. It is a powerful factor in the organization of enterprise, and were its value destroyed we would be like men building a marble palace on a foundation of clouds.

When we come to consider the question of dividends and profits we reach a subject that should be treated seriously, because in their efforts at its comprehension men commit their most serious blunders, and fall most fatally by the way. Let us have a bit of the economic catechism.

What are dividends and profits?

They are the net income derived from investments and trade.

And what is income?

It is the substance of wealth itself.

Wealth has absolutely no economic

being except when it represents a certain intangible principal founded on what is produced in income. Put it in any form you please and it is still stated in figures, units, tens, hundreds, and thousands; and these figures stand upon a row of still other figures many percent lower down in the column. The lower figures stand for income. They are like the degrees of temperature that send the mercury in the tube up to summer heat, or let it drop below zero. There may be unproductive property; but it owes its relation to live property to its promise of future returns. Deprive it of this promise, make it certain that it will never produce again, and its value has forever departed. It is no longer wealth.

Men are often clamorous against excessive charges for service, sometimes in one department of traffic and sometimes in another. But, abstractly considered, no charges can be called excessive. Price is merely a matter of conventional usage, established by circumstances. The East Indian employer who employs his laborers for the equivalent of five cents a day would think a hundred cents for the same labor excessive. And it would be excessive in the East Indies. But, in America it is thought a riotously low price to offer an able bodied man. We see, therefore, that charges are founded upon no abstract principle that subjects them to any certain gauge. They may be high or they may be low, and we judge them simply by comparison with what we have witnessed in corresponding cases. But we hear a great deal about excessive charges; and of course it would not do to say that they are not sometimes higher than custom has established. But let that pass. The purpose here is merely to know the meaning of the clamor for reduction.

What, then, is the significance of the outcry against excessive charges for service in any department of traffic? Largely, it is a demand for

a reduction in the value of the property on which those charges are founded. It exposes a determination, not fully comprehended, perhaps, to take from the national estate a certain percentage of its estimated value, and to destroy this proportion as completely as though it had been swept by fire and obliterated. A railway nets eight per cent. to its stockholders on its charges for carrying passengers and freight. On these returns the road-bed and rolling stock can be kept in good condition. The cars may be sumptuous and convenient, the service on the trains, at the stations, and along the road will be ample, and the traffic can be handled with safety and despatch. But reduce the charges so that the profits will not begin to equal the profits drawn from other fields of investment and what do we directly see? Demoralization; an effort on the part of the stockholders to get rid of their stock for the purpose of making more profitable investments, and the value of the property will at once fall to correspond with the new level of income. But what then follows? Men will not see themselves despoiled of their wealth without a struggle; and an effort is made by the managers to recover their ground by a reduction in operating expenses. Needed, but not absolutely indispensable, employees are discharged, and the wages of remaining employees are reduced. For the purpose of maintaining the effect, and disguising the hand of retrenchment, the cars may be maintained in good condition; but the bridges will go to decay, and the tracks will remain unguarded. They will be left open to the attacks of the tempest and flood. Soon the road will be in such condition that no man knows half the peril encountered when he takes passage on a train. There can be little question that nearly all the recent disasters on the railways, startling for their frequency and

magnitude after a long period of comparative immunity, were the direct result of the deterioration of the roads following upon an unprofitable traffic. Shocking accidents are among the results of a demand for ruinously low rates. But they are not the only results. They are even proceeded by the unfortunate results that follow directly upon the reduction. Millions of wealth which was formerly a powerful force in sustaining the market have disappeared, and the entire community, bound together by interdependent relations, suffers. Has a gain been made for the travelling public? Men have different ideas of gain. Some men might be willing to risk a broken head for the purpose of saving a few dollars on the price of a thousand mile fare; but what they gain in money they will lose in time which is the equivalent of money to the good husbandmen. They will lose, too, in attendance and comfort, advantages for which liberal minded men are willing to pay.

Let us try and see if we can find any considerable number of persons in the community who will gain by the decline in the value of railway securities. We will not visit the Stock Exchange. It is about the only place on earth where the art of making a profit on losses has been reduced to a sometime successful practice. Let us look abroad in the community elsewhere, and see if we can find any industrial or mercantile worker who is benefited by unprofitable freight and passenger rates. Will it be worth while for the commercial traveler to save \$5. on the cost of a ticket from New York to Chicago when the reduction helps to bring about a depression in trade which will prevent his making any sales on his arrival at his destination? Evidently, it would be a dearly earned economy. But the farmer who secures cheap transportation for his products at the same cost will fare no better. What will it avail him to be able to trans-

port his wheat to market at a saving of ten per cent when his gain is won at a cost of a twenty per cent reduction in the price? There can be no question that the price of every commodity on the market in the United States is largely dependant on the prosperity of our railways.

It is evident that we can look to see no business man or agriculturist benefited by the impairment of railroad property. A few opulent persons, intent upon traveling for pleasure, might think they found some gain in greatly reduced fares. But they must be persons whose income is in no way complicated with railway stock, or their gains will be more than offset by reduced dividends. We cannot concede that even the man of leisure can be benefited by cheap fares, for, whatever his source of income, it will be reduced by an amount equal to his saving when the railway property of the country is demoralized and unproductive. Except, possibly, salaried men, not much affected by the times, few persons in the community are in a position to derive benefit from a reduction in the charges for railway service. When we come to unreasonable reductions in the cost of merchandise until the price of commodities falls below the cost of production, or below the margin of profit, we meet with similar manifestations. But here the causes for reduction are not, as with railways, due to combined competition, mischievous legislation, and public clamor. They are due to competition alone; but there are destructive forces enough in competition, when left completely unbridled, to make legislative or other folly unnecessary. There was never a very disastrous panic that was not the direct fruit of an inadequate margin of profit. There may be other causes for panic. There may be panics that spring from financial rather than mercantile complications; but such disorders, if they are ever experienced, are of short duration,

and do not compare in their consequences with the crises that result from a gradual fall in prices until it is no longer profitable to buy and sell. After a panic springing from this cause the work to be done is not so much a work of readjustment as of rehabilitation, with all the forces operating against its accomplishment. The train has been brought to a complete standstill; and every locomotive driver will tell us of the power required to put a stationary train in motion. At such a time no man earns money beyond his mere living or operating expenses, and many fall below even this amount. Then large dealings are impossible, and every man puts a check on his disbursements. There has been overproduction, it is said. But had no panic come the merchandise on hand would have disappeared in a year. It is not overproduction, then, but no profit in production, or, rather, production below cost, that has caused the trouble, and to increase prices when there is no market is a very difficult undertaking. To make the situation worse the mill-wheel must still be kept moderately in motion, or the poor would starve. Hence comes a double cause for embarrassment. There is too much merchandise on hand for the market, yet the quantity must be continually increased. Through the operation of these two causes the effects of a panic caused by reductions in charges are never overcome in much less than five years, and sometimes they are prolonged through even a more extended period. They can never be overcome until the cost of production is reduced through a reduction in the prices paid for labor so that a margin of profit can be again secured. When it is obtained, and not until then, the revival will begin. Something might be done in these cases by combination, and stimulants administered to the market; but the patient is usually left to recover in the natural way.

Men must not deceive themselves with the idea that either society or the individual members of society gain by any reductions in price that do not spring from cheapened processes in manufacture. What to any man is a difference of a few cents in the dollar on the commodities which he is forced to buy? He will hardly detect the amount in the total of his accounts; yet it will be just these few cents, not more than six or seven, which make the difference between an active and a depressed market, and by an active market the loss will be restored in the form of personal gains. In good times the wages of workmen range from ten to twenty percent higher than in depressed or panic times, and employment is constant. But under the depression or prostration that precedes or follows a panic wages always fall to the lower level, if it can be said that there is any bottom on which a level can be drawn, and it is often impossible to obtain employment on any terms. Then would it not be better for these workmen to pay constantly from their higher wages this six or seven per cent. that is required to sustain the market than to see the reduction? No answer is required to this question. Every man must see at once that the economy has resulted in a frightful loss.

When we consider the commodi-

ties that are brought only by men of opulence the lesson is not less instructive. In the manufacture of such commodities the poorer members of society are concerned only in their wages. They are not buyers of luxuries; and a depressed market will reduce their income gained in production without giving even the poor return of an equal advantage in savings. What they gain in the common saving on necessities they will more than lose on income; for in panic times it is the market for luxuries that suffers most heavily.

There can be no question but that the best interests of the community will be best subserved by keeping every department of traffic on a margin of not only fair but stimulating profit. It is a difficult subject to regulate. Competition, combined with the frequent disasters, culminating in forced sales, that follow upon misjudged enterprises, are continually at work lowering the standard of prices, and the danger signals are often made manifest to astute men even when the sky is clear to common observation. To these evils must be added the evils of ignorant legislation. We shall never have the subject right until all men become investors, and find an interest, visible to all, in maintaining the profit of market transactions.

APPENDIX A.

The argument showing the possibility of maintaining insured bonds bearing a low rate of interest, page 35, Chapter IV., must, of course, concede the necessity for limitations. Were an attempt made to supply money on all such bonds that could be offered at rates below the legal, or market, rates, after the system of bond insurance had become universal, it might happen that the market demand would be completely met,

and the effort would not only fatally impair the banking system but defeat its own ends. It would be necessary to limit the amount of bonds so taken to the requirements of moderate insurance. They might cover the cost of a low priced, dwelling and such small investments in good dividend paying stock as might be thought necessary for the protection of families. But the total amount should not, in the beginning, exceed

\$5,000 to each member of a company. All investments made with anything like a speculative purpose, or even with the object of carrying a very large insurance, should be subject to the ordinary laws of demand and supply, and made to pay the highest market rates of interest. By observing this rule we should preserve the indispensable banking system intact, and at the same time aid that portion of the community most in need of assistance. The banks themselves, however, could be trusted to draw the just line of division.

APPENDIX B.

IN Part First of this treatise the theory of bond insurance companies was outlined in general terms, and the character of the law under which they should be managed was illustrated in a bill drawn in a form suitable for introduction in Legislative bodies. To those who have read and carefully studied the provisions of this bill any further statement of details should be unnecessary. But for the information of persons who have not seen the first number, and to whom the idea of bond insurance is new, it may be worth while to give here a synopsis of the measure, together with some reflections not heretofore made. Briefly, then, it may be outlined as follows:

I. The plan rests upon the idea of general, or large, organization, and a capitalization on personal incomes. The affairs of a bond insurance company should be administered by a board of trustees, and the organization should contain as many members as a board numbering not more than thirteen, and holding a supervisory control over the investments made with its endorsement, could conveniently superintend.

II. A company so organized, and containing, say twenty thousand members, will maintain a fund drawn from an established percentage reserved from the income of members, and

paid into the treasury in accordance with regulations adopted by the trustees. The total of these payments is made the basis of capitalization. Bonds bearing the name of individual members of the company may be issued to an amount that will leave in the treasury, after covering the payment of interest, the cost of company administration, and losses by fire, a fund sufficient for their redemption on the death or permanent disability of the members in whose names they were issued. These bonds are to be used in obtaining money either for the purchase or construction of dwellings, or for general investment under regulations imposed in part by statute and in part in the by-laws of the company. On a majority vote of the members the percentages reserved from income may be increased to meet any benevolent or educational plan that may be thought expedient. But everything like corporate speculation is forbidden.

III. Investments must be made subject to the consent of the trustees. In case any losses are met on investments made without such consent the company cannot be held liable; but in its attitude of endorser for the bonds of its members it is held liable for all investments that are made in accordance with this regulation.

IV. The trustees have no power to order an assessment on the members of the company. But, on the application of the trustees, the Supreme Court is empowered to make the order when an assessment is found necessary to meet the demands of a judgment obtained against the company in a court of law, or to cover unusual losses caused by fire, pestilence, or the disability of members.

V. The company must protect its members against inability to pay their percentages. In case of sickness, or any incident that results in a temporary loss of income, the per-

centages must be maintained, and the interest on the bonds carried by the disabled member, paid from the treasury reserve. But in this case the member is held liable for the payment of a double percentage to meet the deficiency when his income is restored.

There are other minor provisions; but these are the main features deemed necessary for the successful administration of bond insurance companies. To go into the detail of management would be simply like reporting the proceedings and describing the forms of every incorporated body. The only difference between such companies and any other trust or financial organization will lie in their greater complexity. Their functions will be more diversified than the functions of other companies, and comprehend a wider range of objects.

But another question will naturally be raised, and this will refer to the probable effect of bond insurance companies on the immediate business interests of the community. This, too, was discussed with some elaboration in Part First of this treatise; but on account of the sensitiveness of capital it may be well to give it a little further attention. Experience has taught us the effect of a large issue of new securities that can be turned into operative capital, and we know it to be in the highest degree stimulating. The issue of Government bonds for the purpose of suppressing the rebellion furnishes a case in point. Under this stimulus the enterprise of the country took such an extraordinary stride that, within ten years after the close of the war, all the tremendous losses of the struggle, amounting to \$4,000,000,000 in slaves, and to possibly twice that amount in the destruction and depreciation of property, were more than recovered. The nation had more wealth at the end of even the decade during which the war was fought than it held at the beginning. Wages

and prices rose to unexampled figures; and there was general prosperity. It is a common impression that this extraordinary recovery was due to an inflation of the currency, a dangerous process, it is thought, certain to bring subsequent disaster. But the argument was held to no purpose in the chapter on banking if it was not shown that there can be no such thing as an inflation of the currency when the limit reached is within the value of the securities on which the circulation rests. Our sudden prosperity was due to the increase of operative capital placed within reach of the banks. It was entirely legitimate, though the transaction which gave it its impulse was the result of necessity, and not economically sound; and it came to a period when the stimulus was necessarily withdrawn only because of prevailing weaknesses in our financial system, weaknesses that, sooner or later, will put a period to any run of prosperity which we may happen to experience.

What happened as a consequence of the issue of a few billion dollars in Government bonds, an issue by which individuals were only indirectly benefited, we may look to see happen again, with incomparably greater and more prolonged good fortune, as the result of a much larger total issue of personal bonds productive of direct personal benefit, to the bond givers. Economically, the latter operation would be the more sound, and with the inauguration of a system of bond insurance we could look to see the beginning of a period of prosperity unparalleled in the history of any country. It would be a prosperity, too, for which we would have no reason to predict a collapse. It would endure because it would be unattended by the oppressive conditions, which, under the system that has so long obtained, are continually urging men to their overthrow.

Were a question raised as to the effect of bond insurance on the wealth

already existing and invested, it would be a question hardly worth answering. Wealth embodied in tangible property, in houses and lands, in factories and warehouses, or in unincumbered bank or railway stock, will be able to maintain all the advantages that are worth holding, what ever the changes wrought by a large issue of new bonds. Such wealth could only be subject to the common stimulus, and share in the general increase.

THE END.

TEN BOOKS FOR THE PRICE OF ONE.

The Humboldt Library of Science

Is the only publication of its kind, the only one containing *popular scientific works at low prices*. For the most part it contains only *works of acknowledged excellence*, by authors of the first rank in the world of science. In this series are well represented the writings of

DARWIN,
CLIFFORD,
WALLACE,
HINTON,

HUXLEY,
CLODD,
TRENCH,
SULLY,
BALFOUR & EWART,

SPENCER,
BAGEHOT,
ROMANES,
FLAMMARION,
WILSON,

NDALL,
BAIN,
GRANT ALLEN,
PICKTON,
WILSON,

PROCTOR,
BATES,
GEIKIE,
WILLIAMS,

And other leaders of thought in our time. The books are Complete and Unabridged Editions, in Neat Paper Covers.

Price, FIFTEEN Cents a Number.

Double Numbers, THIRTY Cents.

- No. 1. **Light Science for Leisure Hours.** A series of familiar essays on astronomical and other natural phenomena. By Richard A. Proctor, F.R.A.S.
- No. 2. **Forms of Water in Clouds and Rivers, Ice and Glaciers.** (19 illustrations). By John Tyndall, F.R.S.
- No. 3. **Physics and Politics.** An application of the principles of Natural Science to Political Society. By Walter Bagehot, author of "The English Constitution."
- No. 4. **Man's Place in Nature.** (with numerous illustrations). By Thomas H. Huxley, F.R.S.
- No. 5. **Education, Intellectual, Moral, and Physical.** By Herbert Spencer.
- No. 6. **Town Geology.** With Appendix on Coral and Coral Reefs. By Rev. Chas. Kingsley.
- No. 7. **The Conservation of Energy.** (with numerous illustrations). By Balfour Stewart, LL.D.
- No. 8. **The Study of Languages,** brought back to its true principles. By C. Marcel.
- No. 9. **The Data of Ethics.** By Herbert Spencer.
- No. 10. **The Theory of Sound in its Relation to Music.** (numerous illustrations). By Prof. Pietro Blaserna.
- No. 11. **The Naturalist on the River Amazon.** A record of 11 years of travel. By Henry Walton Bates, F.L.S. (Double number. Not sold separately).
- No. 12. **Mind and Body.** The theories of their relation. By Alex. Bain, LL.D.
- No. 14. **The Wonders of the Heavens.** (thirty-two illustrations). By Camille Flammarion.
- No. 15. **Longevity.** The means of prolonging life after middle age. By John Gardner, M.D.

- No. 16. **On the Origin of Species.** By Thomas H. Huxley, F.R.S.
- No. 17. **Progress: Its Law and Cause.** With other disquisition. By Herbert Spencer.
- No. 18. **Lessons in Electricity.** (sixty illustrations). By John Tyndall, F.R.S.
- No. 19. **Familiar Essays on Scientific Subjects.** By Richard A. Proctor.
- No. 20. **The Romance of Astronomy.** By R. Kalley Miller, M.A.
- No. 21. **The Physical Basis of Life.** With other essays. By Thomas H. Huxley, F.R.S.
- No. 22. **Seeing and Thinking.** By William Kingdon Clifford, F.R.S.
- No. 23. **Scientific Sophisms.** A review of current theories concerning Atoms, Apes and Men. By Samuel Wainwright, D.D.
- No. 24. **Popular Scientific Lectures.** (illustrated). By Prof. H. Helmholtz.
- No. 25. **The Origin of Nations.** By Prof. Geo. Rawlinson, Oxford University.
- No. 26. **The Evolutionist at Large.** By Grant Allen.
- No. 27. **The History of Landholding in England.** By Joseph Fisher, F.R.H.S.
- No. 28. **Fashion in Deformity.** Illustrated in the customs of Barbarous and Civilized Races. (numerous illustrations). By William Henry Flower, F.R.S.
- No. 29. **Facts and Fictions of Zoology.** (numerous illustrations). By Andrew Wilson, Ph. D.
- No. 30. **The Study of Words.** Part I. By Richard Chenevix Trench.
- No. 31. **The Study of Words.** Part II.
- No. 32. **Hereditary Traits and Other Essays.** By Richard A. Proctor.

THE HUXLEY LIBRARY OF SCIENCE.

- No. 33. **Vignettes from Nature.** By Grant Allen.
- No. 34. **The Philosophy of Style.** By Herbert Spencer.
- No. 35. **Oriental Religions.** By John Caird, Pres. Univ. Glasgow, and Others.
- No. 36. **Lectures on Evolution.** (*Illustrated*). By Prof. T. H. Huxley.
- No. 37. **Six Lectures on Light.** (*Illustrated*). By Prof. Tyndall.
- No. 38. **Geological Sketches.** Part I. By Archibald Geikie, F.R.S.
- No. 39. **Geological Sketches.** Part II.
- No. 40. **The Evidence of Organic Evolution.** By George J. Romanes, F.R.S.
- No. 41. **Current Discussion in Science.** By W. M. Williams, F.C.S.
- No. 42. **History of the Science of Politics.** By Frederick Pollock.
- No. 43. **Darwin and Humboldt.** By Prof. Huxley, Prof. Agassiz, and others.
- No. 44. **The Dawn of History.** Part I. By G. F. Keary, of the British Museum.
- No. 45. **The Dawn of History.** Part II.
- No. 46. **The Diseases of Memory.** By Th. Ribot. Translated from the French by J. Fitzgerald, M.A.
- No. 47. **The Childhood of Religion.** By Edward Clodd, F.R.A.S.
- No. 48. **Life in Nature.** (*Illustrated*). By James Hinton.
- No. 49. **The Sun: its Constitution, its Phenomena, its Condition.** By Judge Nathan T. Carr.
- No. 50. **Money and the Mechanism of Exchange.** By Prof. W. Stanley Jevons, F.R.S. Part I.
- No. 51. **Money and the Mechanism of Exchange.** Part II.
- No. 52. **The Diseases of the Will.** By Th. Ribot. Translated from the French by J. Fitzgerald, M.A.
- No. 53. **Animal Automatism, and other Essays.** By Prof. T. H. Huxley, F.R.S.
- No. 54. **The Birth and Growth of Myth.** By Edward Clodd, F.R.A.S.
- No. 55. **The Scientific Basis of Morals, and other Essays.** By William Kingdon Clifford, F.R.S.
- No. 56. **Illusions.** By James Sully. Part I.
- No. 57. **Illusions.** Part II.
- No. 58. **The Origin of Species.** By Charles Darwin. Part I. (Double number).
- No. 59. **The Origin of Species.** Part II. (Double Number).
- No. 60. **The Childhood of the World.** By Edward Clodd, F.R.A.S.
- No. 61. **Miscellaneous Essays.** By Richard A. Proctor.
- No. 62. **The Religions of the Ancient World.** By Prof. Geo. Rawlinson, Univ. of Oxford. (Double number).
- No. 63. **Progressive Morality.** By Thomas Fowler, LL.D., President of Corpus Christi Coll., Oxford.
- No. 64. **The Distribution of Animals and Plants.** By A. Russell Wallace and W. T. Thistleton Dyer.
- No. 65. **Conditions of Mental Development, and other Essays.** By William Kingdon Clifford.
- No. 66. **Technical Education, and other Essays.** By Thomas H. Huxley, F.R.S.
- No. 67. **The Black Death.** An account of the Great Pestilence of the 14th Century. By J. F. C. Hecker, M.D.
- No. 68. **Three Essays.** By Herbert Spencer.
- No. 69. **Fetichism: A Contribution to Anthropology and the History of Religion.** By Fritz Schultze, Ph. D. (Double number).
- No. 70. **Essays Speculative and Practical.** By Herbert Spencer.
- No. 71. **Anthropology.** By Daniel Wilson, Ph. D. With Appendix on Archaeology. By E. B. Tylor, F.R.S.
- No. 72. **The Dancing Mania of the Middle Ages.** By J. F. C. Hecker, M.D.
- No. 73. **Evolution in History, Language and Science.** Four addresses delivered at the London Crystal Palace School of Art Science and Literature.
- No. 74. { **The Descent of Man, and Selection in Relation to Sex.** (*Numerous Illustrations*). By Charles Darwin.
- No. 75. { Nos. 74, 75, 76 are single Nos.; No. 77 is a double No.
- No. 76. {
- No. 77. {
- No. 78. **Historical Sketch of the Distribution of Land in England.** By William Lloyd Birbeck, M.A.
- No. 79. **Scientific Aspect of some Familiar Things.** By W. M. Williams.
- No. 80. **Charles Darwin.** His Life and Work. By Grant Allen. (Double Number).
- No. 81. **The Mystery of Matter, and the Philosophy of Ignorance.** Two Essays by J. Allanson Picton.
- No. 82. **Illusions of the Senses, and other Essays.** By Richard A. Proctor.
- No. 83. **Profit-Sharing Between Capital and Labor.** Six Essays. By Sedley Taylor, M.A.
- No. 84. **Studies of Animated Nature.** Four Essays on Natural History. By W. S. Dallas, F.L.S., and Others.
- No. 85. **The Essential Nature of Religion.** By J. Allanson Picton.
- No. 86. **The Unseen Universe, and the Philosophy of the Pure Sciences.** By Prof. Wm. Kingdon Clifford, F.R.S.
- No. 87. **The Morphine Habit.** By Dr. B. Ball, of the Paris Faculty of Medicine.

THE HUMBOLDT LIBRARY OF SCIENCE.

- | | |
|--|---|
| <p>No. 88. Science and Crime and other Essays. By Andrew Wilson, F.R.S.E.</p> <p>No. 89. The Genesis of Science. By Herbert Spencer.</p> <p>No. 90. Notes on Earthquakes: with Fourteen Miscellaneous Essays. By Richard A. Proctor.</p> <p>No. 91. The Rise of Universities. By S. S. Lurie, LL.D. (Double number).</p> <p>No. 92. The Formation of Vegetable Mould through the Action of Earth Worms. By Charles Darwin, LL.D., F.R.S. (Double number).</p> <p>No. 93. Scientific Methods of Capital Punishment. By J. Mount Bleyer, M.D.</p> <p>No. 94. The Factors of Organic Evolution. By Herbert Spencer.</p> <p>No. 95. The Diseases of Personality. By Th. Ribot. Translated from the French by J. Fitzgerald, M.A.</p> <p>No. 96. A Half-Century of Science. By Thomas H. Huxley, and Grant Allen.</p> <p>No. 97. The Pleasures of Life. By Sir John Lubbock.</p> <p>No. 98. Cosmic Emotion: Also the Teachings of Science. By William Kingdon Clifford.</p> <p>No. 99. Nature Studies. By Prof. F. R. Eaton Lowe; Dr. Robert Brown, F.L.S.; Geo. G. Chisholm, F.R.G.S.; and James Dallas, F.L.S.</p> <p>No. 100. Science and Poetry, with other Essays. By Andrew Wilson, F.R.S.E.</p> <p>No. 101. Aesthetics; Dreams and Association of Ideas. By James Sully and Geo. Croom Robertson.</p> <p>No. 102. Ultimate Finance; A True Theory of Co-operation. By William Nelson Black.</p> <p>No. 103. The Coming Slavery: The Sins of Legislators; The Great Political Superstition. By Herbert Spencer.</p> <p>No. 104. Tropical Africa. By Henry Drummond, F.R.S.</p> <p>No. 105. Freedom in Science and Teaching. By Ernst Haeckel, of the University of Jena. With a prefatory Note by Prof. Huxley.</p> <p>No. 106. Force and Energy. A Theory of Dynamics. By Grant Allen.</p> <p>No. 107. Ultimate Finance. A True Theory of Wealth. By William Nelson Black.</p> <p>No. 108. English, Past and Present. By Richard Chenevix Trench. Part I. (Double number).</p> <p>No. 109. English, Past and Present. Part II.</p> <p>No. 110. The Story of Creation. A Plain Account of Evolution. By Edward Clodd. (Double number).</p> <p>No. 111. The Pleasures of Life. Part II. By Sir John Lubbock.</p> | <p>No. 112. Psychology of Attention. By Th. Ribot. Translated from the French by J. Fitzgerald, M.A.</p> <p>No. 113. Hypnotism. Its History and Development. By Fredrik Björström, M.D., Head Physician of the Stockholm Hospital, Professor of Psychiatry. Late Royal Swedish Medical Councillor. Authorized Translation from the Second Swedish Edition by Baron Nils Posse, M.G., Director of the Boston School of Gymnastics. (Double number).</p> <p>No. 114. Christianity and Agnosticism. A Controversy. Consisting of papers contributed to <i>The Nineteenth Century</i> by Henry Wace, D.D., Prof. Thos. H. Huxley, The Bishop of Petersburg, W. H. Mallock, Mrs. Humphrey Ward. (Double number).</p> <p>No. 115. Darwinism: An Exposition of the Theory of Natural Selection, with some of its Applications. By Alfred Russel Wallace, LL.D., F.L.S., etc. Illustrated. Part I. (Double number).</p> <p>No. 116. Darwinism. Illustrated. Part II. (Double number).</p> <p>No. 117. Modern Science and Modern Thought. By S. Laing. Illustrated. (Double number).</p> <p>No. 118. Modern Science and Modern Thought. Part II.</p> <p>No. 119. The Electric Light and The Storing of Electrical Energy. Illustrated. Gerald Molloy, D.D., D.Sc.</p> <p>No. 120. The Modern Theory of Heat and The Sun as a Storehouse of Energy. Illustrated. Gerald Molloy, D.D., D.Sc.</p> <p>No. 121. Utilitarianism. By John Stuart Mill.</p> <p>No. 122. Upon the Origin of Alpine and Italian Lakes and upon Glacial Erosion. Maps and Illustrations. By Ramsey, Ball, Murchison, Stüder, Favre, Whymper and Spencer. Part I. (Double number).</p> <p>No. 123. Upon the Origin of Alpine and Italian Lakes, Etc., Etc. Part II.</p> <p>No. 124. The Quintessence of Socialism. By Prof. A. Schäffle.</p> <p>No. 125. { Darwinism and Politics. By David G. Ritchie, M.A.
Administrative Nihilism. By Thomas Huxley, F.R.S.</p> <p>No. 126. Physiognomy and Expression. By P. Mantegazza. Illustrated. Part I. (Double number).</p> <p>No. 127. Physiognomy and Expression. Part II. (Double number).</p> <p>No. 128. The Industrial Revolution. By Arnold Toynbee, Tutor of Balliol College, Oxford. With a short memoir by B. Jowett. Part I. (Double number).</p> <p>No. 129. The Industrial Revolution. Part II. (Double number).</p> <p>No. 130. The Origin of the Aryans. By Dr. Isaac Taylor. Illustrated. Part I. (Double number).</p> |
|--|---|

THE HUMBOLDT LIBRARY OF SCIENCE.

- | | |
|--|---|
| <p>No. 127. The Origin of the Aryans. Part II. (Double number)</p> <p>No. 122. The Evolution of Sex. By Prof. P. Geddes and J. Arthur Thomson. Illustrated. Part I (Double number).</p> <p>No. 123. The Evolution of Sex. Part II. (Double number)</p> <p>No. 124. The Law of Private Right. By George H. Smith. (Double number).</p> <p>No. 125. Capital. A Critical Analysis of Capitalist Production. By Karl Marx. Part I. (Double number)</p> <p>No. 126. Capital. Part II. (Double number).</p> <p>No. 127. Capital. Part III. (Double number)</p> <p>No. 128. Capital. Part IV. (Double number).</p> <p>No. 129. Lightning. Thunder and Lightning Conductors Illustrated. By Gerald Molloy, D.D., D.Sc.</p> <p>No. 129. What is Music? With an appendix on How the Geometrical Lines have their Counterparts in Music. By Isaac L. Rice.</p> <p>No. 141. Are the Effects of Use and Disuse Inherited? By William Platt Ball.</p> <p>No. 142. A Vindication of the Rights of Woman. By Mary Wollstonecraft. With an Introduction by Mrs Henry Fawcett. Part I. (Double number).</p> <p>No. 143. A Vindication of the Rights of Woman. Part II. (Double number).</p> <p>No. 144. Civilization; Its Cause and Cure. By Edward Carpenter</p> <p>No. 145. Body and Mind. By William Kingdon Clifford.</p> <p>No. 146. Social Diseases and Worse Remedies. By Thomas H. Huxley, F.R.S.</p> <p>No. 147. The Soul of Man under Socialism. By Oscar Wilde.</p> <p>No. 148. Electricity, the Science of the Nineteenth Century. By E. C. Caillard. (Illustrated) Part I. (Double number).</p> | <p>No. 149. Electricity. Part II.</p> <p>No. 150. Degeneration; A Chapter in Darwinism. Illustrated. By E. Ray Lankester, M.A., LL.D., F.R.S.</p> <p>No. 151. Mental Suggestion. By Dr. J. Ochorowicz. Part I (Double number).</p> <p>No. 152. Mental Suggestion. Part II. (Double number)</p> <p>No. 153. Mental Suggestion. Part III. (Double number)</p> <p>No. 154. Mental Suggestion. Part IV. (Double number).</p> <p>No. 155. Modern Science; The Science of the Future. By Edward Carpenter.</p> <p>No. 160. Schellings in Pessimism. By Schopenhauer.</p> <p>No. 161. Flowers, Fruits and Leaves. Illustrated. By Sir John Lubbock, F.R.S. (Double number).</p> <p>No. 162. Glimpses of Nature. Illustrated. By Dr. Andrew Wilson, F.R.S.E. Part I. (Double number).</p> <p>No. 163. Glimpses of Nature. Part II. (Double number).</p> <p>No. 164. Problems of the Future. By Samuel Lang. Part I. (Double number).</p> <p>No. 165. Problems of the Future. Part II. (Double number).</p> <p>No. 166. Problems of the Future. Part III. (Double number).</p> <p>No. 167. The Moral Teachings of Science. By Arabella B. Buckley.</p> <p>No. 168. The Wisdom of Life. By Schopenhauer. (Double number).</p> <p>No. 169. The Mystery of Pain. By James Hinton.</p> <p>No. 170. What is Property? An inquiry into the Principle of Right and of Government. By P. J. Proudhon. (Four double numbers, \$1.20).</p> <p>No. 171. The History and Scope of Zoology. By E. Ray Lankester.</p> <p>No. 172. Evolution and Ethics. By Prof. T. H. Huxley.</p> |
|--|---|

A NEW SERIES.

The Social Science Library

OF THE BEST AUTHORS.

PUBLISHED MONTHLY AT POPULAR PRICES.

Paper Cover, 25 cents each; Cloth, extra, 75 cents each

NOW READY.

- | | |
|--|---|
| <p>No. 1. Six Centuries of Work and Wages. By James E. Thorold Rogers, M.P. Abridged, with charts and summary. By W. D. P. Bliss. Introduction by Prof. R. T. Ely.</p> <p>No. 2. The Socialism of John Stuart Mill. The only collection of Mill's Writings on Socialism.</p> <p>No. 3. The Socialism and Unsocialism of Thomas Carlyle. A collection of Carlyle's social writings; together with Joseph Mazzini's famous essay protesting against Carlyle's views. Vol. I.</p> <p>No. 4. The Socialism and Unsocialism of Thomas Carlyle. Vol. II.</p> | <p>No. 5. William Morris, Poet, Artist, Socialist. A selection from his writings together with a sketch of the man. Edited by Francis Watts Lee.</p> <p>No. 6. The Fabian Essays. American Edition, with Introduction and Notes by H. G. Wilschire.</p> <p>No. 7. The Economics of Herbert Spencer. By W. C. Owen.</p> <p>No. 8. The Communism of John Ruskin.</p> <p>No. 9. Horace Greeley and other Pictures of American Socialism. By Charles Sotheman.</p> |
|--|---|

Special Number, 35 cents, in Paper Cover

LIST OF BOUND BOOKS

..IN..

The Humboldt Library Series.

The volumes of this series are printed on a superior quality of paper, and bound in extra cloth. They are from fifty to seventy-five per cent. cheaper than any other edition of the same books.

STANDARD WORKS BY VARIOUS AUTHORS.

A Vindication of the Rights of Woman. With Strictures on Political and Moral Subjects. By Mary Wollstonecraft. New Edition, with an introduction by Mrs. Henry Fawcett. Cloth \$1.00

Electricity: the Science of the Nineteenth Century. A Sketch for General Readers. By E. M. Caillard, author of "The Invisible Powers of Nature." With Illustrations. Cloth 75 cts

Mental Suggestion. By J. Ochorowicz. Sometime Professor Extraordinarius of Psychology and Nature-Philosophy in the University of Lemberg. With a Preface by Chas. Richet. Translated from the French by J. Fitzgerald, M.A. Cloth \$2.00

Flowers, Fruits, and Leaves. By Sir John Lubbock, F.R.S., D.C.L., LL.D. With Ninety-five Illustrations. Cloth 75 cts

Glimpses of Nature. By Andrew Wilson, F.R.S.E., F.L.S. With Thirty-five Illustrations. Cloth 75 cts

Problems of the Future, and Essays. By Samuel Laing, author of "Modern Science and Modern Thought," etc. Cloth . . . \$1.25

The Naturalist on the River Amazon. A Record of Adventures, Habits of Animals, Sketches of Brazilian and Indian Life, and 'spects of Nature under the Equator, during Seven Years of Travel. By Henry Walter Bates, F.L.S., Assistant Secretary of the Royal Geographical Society of England. New Edition. Large Type. Illustrated. Cloth \$1.00

The Religions of the Ancient World: including Egypt, Assyria and Babylonia, Persia, India, Phœnicia, Etruria, Greece, Rome. By George Rawlinson, M.A., Camden Professor of Ancient History, Oxford, and Canon of Canterbury. Author of "The Origin of Nations," "The Five Great Monarchies," etc. Cloth 75 cts

The Rise and Early Constitution of Universities, with a Survey of Medieval Education. By S. S. Laurie, LL.D., Professor of the Institutes and History of Education in the University of Edinburgh. Cloth . . 75 cts

Fetichism. A Contribution to Anthropology and the History of Religion. By Fritz Schultze, Ph.D. Translated from the German by J. Fitzgerald, M.A. Cloth 75 cts

Money and the Mechanism of Exchange. By W. Stanley Jevons, M.A., F.R.S., Professor of Logic and Political Economy in the Owens College, Manchester, England. Cloth 75 cts

On the Study of Words. By Richard Chenevix Trench, D.D., Archbishop of Dublin. Cloth 75 cts

The Dawn of History. An Introduction to Prehistoric Study. Edited by C. F. Keary, M.A., of the British Museum. Cloth . . 75 cts

Geological Sketches at Home and Abroad. By Archibald Geikie, LL.D., F.R.S., Director-General of the Geological Surveys of Great Britain and Ireland. Cloth 75 cts

Illusions: A Psychological Study. By James Sully, author of "Sensation and Intuition," "Pessimism," etc. Cloth . . . 75 cts

The Pleasures of Life. Part I. and Part II. By Sir John Lubbock, Bart. Two Parts in One. Cloth 75 cts

English, Past and Present. Part I. and Part II. By Richard Chenevix Trench, D.D., Archbishop of Dublin. Two Parts in One. Cloth 75 cts

Hypnotism: Its History and Present Development. By Fredrik Björnström, M.D., Head Physician of the Stockholm Hospital, Professor of Psychiatry, late Royal Swedish Medical Councillor. Cloth . . 75 cts

THE HUMBOLDT LIBRARY OF SCIENCE.

Animal Automatism
AND

Technical Education, with other Essays.
Two books in one volume. Cloth . . . 75 cts

Select Works of Prof. John Tyndall.

Forms of Water in Clouds and Rivers, Ice and Glaciers. Nineteen illustrations.

Lessons in Electricity. Sixty illustrations.

Six Lectures on Light. Illustrated.
Three books in one volume. Cloth . . . \$1.00

Works by Herbert Spencer.

The Data of Ethics. Cloth 75 cts

Education: Intellectual, Moral, and Physical,

AND
Progress: Its Law and Cause. With other Disquisitions.
Two books in one volume. Cloth . . . 75 cts

The Genesis of Science,

AND
The Factors of Organic Evolution.
Two books in one volume. Cloth . . . 75 cts

Select Works of Grant Allen.

The Evolutionist at Large.

Vignettes from Nature.

Force and Energy. A Theory of Dynamics.
Three books in one volume. Cloth . . . \$1.00

Select Works of Richard A. Proctor,
F.R.A.S.

Light Science for Leisure Hours.

Familiar Essays on Scientific Subjects.

Hereditary Traits, and other Essays.

Miscellaneous Essays.

Illusions of the Senses, and other Essays.

Notes on Earthquakes, with Fourteen Miscellaneous Essays.
Six books in one volume \$1.50

Select Works of William Kingdon Clifford, F.R.A.S.

Seeing and Thinking.

The Scientific Basis of Morals, and other Essays.

Conditions of Mental Development, and other Essays.

The Unseen Universe.—Also, The Philosophy of the Pure Sciences.

Cosmic Emotion.—Also, The Teachings of Science.
Five books in one volume. Cloth . . . \$1.25

Select Works of Edward Clodd,
F.R.A.S.

The Childhood of Religions.

The Birth and Growth of Myths and Legends.

The Childhood of the World.
Three books in one volume. Cloth . . . \$1.5

Select Works of Th. Ribot.

The Diseases of Memory.

The Diseases of the Will.

The Diseases of Personality.
Three books in one volume. Cloth . . . \$1.00

The Milky Way.

CONTAINING

The Wonders of the Heavens. With thirty-two Actinoglyph Illustrations. By Camille Flammarion.

The Romance of Astronomy. By R. Kalley Miller, M.A.

The Sun: Its Constitution; Its Phenomena; Its Condition. By Nathan T. Carr, LL.D.
Three books in one volume. Cloth . . . \$1.00

Political Science.

CONTAINING

Physics and Politics. An Application of the Principles of Natural Selection and Heredity to Political Society. By Walter Bagehot, author of "The English Constitution."

History of the Science of Politics. By Frederick Pollock.
Two books in one volume. Cloth . . . 75 cts

The Land Question.

CONTAINING

The History of Landholding in England. By Joseph Fisher, F.R.H.S.

Historical Sketch of the Distribution of Land in England. By William Lloyd Birkbeck, M.A.
Two books in one volume. Cloth . . . 75 cts

THE HUMBOLDT LIBRARY OF SCIENCE.

The Story of Creation. A Plain Account of Evolution. By Edward Clodd, F.R.A.S. With over eighty illustrations. . . . 75 cts

Christianity and Agnosticism. A controversy, consisting of papers by Henry Wace, D.D., Prebendary of St. Paul's Cathedral; Principal of King's College, London. Professor Thomas H. Huxley.—W. C. Magee, D.D., Bishop of Peterborough.—W. H. Mallock, Mrs. Humphrey Ward. Cloth . . . 75 cts

Darwinism: An Exposition of the Theory of Natural Selection, with some of its applications. By Alfred Russel Wallace, LL.D., F.R.S. With portrait of the author, colored map, and numerous illustrations. Cloth . . . \$1.25

The ablest living Darwinian writer.—*Cincinnati Commercial Gazette*.

The most important contribution to the study of the origin of species and the evolution of man which has been published since Darwin's death.—*New York Sun*.

There is no better book than this in which to look for an intelligent, complete, and fair presentation of both sides of the discussion on evolution.—*New York Herald*.

Modern Science and Modern Thought. A Clear and Concise View of the Principal Results of Modern Science, and of the Revolution which they have effected in Modern Thought. With a Supplemental Chapter on Gladstone's "Dawn of Creation" and "Poem to Genesis," and on Drummond "Natural Law in the Spiritual World." By S. Laing. Cloth . . . 75 cts

Upon the Origin of Alpine and Italian Lakes; and Upon Glacial Erosion. By A. C. Ramsay, F.R.S., Etc.; John Ball, M.R.I.A., F.L.S., Etc.; Sir Roderick I. Murchison, F.R.S., D.C.L., Etc.; Prof. B. Studer, of Berne; Prof. A. Favre, of Geneva; and Edward Whymper. With an Introduction, and Notes upon the American Lakes, by Prof. J. W. Spencer, Ph.D., F.G.S., State Geologist of Georgia. Cloth . . . 75 cts

Physiognomy and Expression. By Paolo Mantegazza, Senator; Director of the National Museum of Anthropology, Florence; President of the Italian Society of Anthropology. With Illustrations. Cloth . . . \$1.00

The Industrial Revolution of the Eighteenth Century in England. Popular Addresses, Notes, and other Fragments. By the late Arnold Toynbee. Tutor of Balliol College, Oxford. Together with a short memoir by B. Jowett, Master of Balliol College, Oxford. Cloth . . . \$1.00

The Origin of the Aryans. An Account of the Prehistoric Ethnology and Civilization of Europe. By Isaac Taylor, M.A., Litt. D., Hon. LL.D. Illustrated. Cloth . . . \$1.00

The Law of Private Right. By George H. Smith, author of "Elements of Right, and of the Law," and of Essays on "The Certainty of the Law, and the Uncertainty of Judicial Decisions," "The True Method of Legal Education," Etc., Etc. Cloth . . . 75 cts

The Evolution of Sex. By Prof. Patrick Geddes and J. Arthur Thomson. With 104 Illustrations. Cloth . . . \$1.00

Such a work as this, written by Prof. Geddes who has contributed many articles on the same and kindred subjects to the *Encyclopædia Britannica*, and by Mr. J. Arthur Thomson, is not for the specialist, though the specialist may find it good reading, nor for the reader of light literature, though the latter would do well to grapple with it. Those who have followed Darwin, Wallace, Huxley and Haeckel in their various publications, and have heard of the later arguments against heredity brought forward by Prof. Weissman, will not be likely to put it down unread. . . . The authors have some extremely interesting ideas to state, particularly with regard to the great questions of sex and environment in their relation to the growth of life on earth. . . . They are to be congratulated on the scholarly and clear way in which they have handled a difficult and delicate subject.—*Times*.

Capital: A Critical Analysis of Capitalistic Production. By Karl Marx. Translated from the third German edition by Samuel Moore and Edward Aveling, and edited by Frederick Engels. *The only American Edition. Carefully Revised.* Cloth, \$1.75

The great merit of Marx, therefore, lies in the work he has done as a scientific inquirer into the economic movement of modern times, as the philosophic historian of the capitalistic era.—*Encyclopædia Britannica*.

So great a position has not been won by any work on Economic Science since the appearance of *The Wealth of Nations*. . . . All these circumstances invest, therefore, the teachings of this particularly acute thinker with an interest such as cannot be claimed by any other thinker of the present day.—*The Athenæum*.

What is Property? An Inquiry into the Principle of Right and of Government. By P. J. Proudhon. Cloth . . . \$2.00

The Philosophy of Misery. A System of Economical Contradictions. By F. J. Proudhon. Cloth . . . \$2.00

Works by Professor Huxley.

Evidence as to Man's Place in Nature. With numerous illustrations

AND

On the Origin of Species; or, the Causes of the Phenomena of Organic Nature.

Two books in one volume. Cloth . . . 75 cts

The Physical Basis of Life. With other Essays

AND

Lectures on Evolution. With an Appendix on the Study of Biology.

Two books in one volume. Cloth . . . 75 cts

THE HUMBOLDT LIBRARY OF SCIENCE.

Select Works of Andrew Wilson, F.R.S.E. Science and Crime, and other Essays. Science and Poetry, and other Essays. Two books in one volume. Cloth . . . 75 cts Select Works of W. Mattieu Williams, F.R.A.S., F.C.S. Current Discussion in Science. Scientific Aspects of Some Familiar Things. Two books in one volume. Cloth . . . 75 cts Select Works of J. F. C. Hecker, M.D. The Black Death. An Account of the Deadly Pestilence of the Fourteenth Century. The Dancing Mania of the Middle Ages. Two books in one volume. Cloth . . . 75 cts	Works by Charles Darwin. The Origin of Species by Means of Natural Selection, or the Preservation of Favored Races in the Struggle for Life. New Edition, from the latest English edition, with additions and corrections. Cloth, \$1.25 The Descent of Man, and Selection in Relation to Sex. With illustrations. New edition, revised and augmented. Cloth \$1.50 The Formation of Vegetable Mould Through the Action of Earth- worms, with Observations on their Hab- its. Illustrated. Cloth 75 cts A COMPANION-BOOK TO DARWIN'S WORKS: Charles Darwin: His Life and Work. By Grant Allen. Cloth 75 cts Select Works by J. Allanson Picton. The Mystery of Matter.—Also The Phi- losophy of Ignorance. The Essential Nature of Religion. Two books in one volume. Cloth . . . 75 cts
--	---

The Humboldt Publishing Co.,

64 Fifth Avenue,

New York City

A Remarkable Book.—Edward Bellamy.

THE
KINGDOM OF THE UNSELFISH;
OR,
EMPIRE OF THE WISE.

By JOHN LORD PECK.

Cloth, 12mo.....\$1.00.

"Should be re-read by every seeker after truth."—*Rockland Independent*.

"Polished in style and very often exquisite in expression."—*Natick Citizen*.

"The book is interesting throughout, and the more widely it is read the better."—*tion*."—*Twentieth Century*.

"Shows profound research, original ideas, and what might be almost called inspiration."—*Sunday Times* (Tacoma).

"The effort is noble, and the author has not escaped saying many profound and true things."—*Christian Union*.

"One of a large number of 'reformatory' volumes now being printed, but it is better than many of them."—*Truth Seeker*.

"The book is from a widely-read man, and is written for a high end. In its intellectual and 'spiritual' aspects, it is educative and stimulating."—*The New Ideal*.

"The book before us is one of the signs of the times. It prophesies a new age, and exhorts to the life which shall further its coming."—*New Church Messenger*.

"The book is a natural product of the prophetic element of the times, which is reaching forward into the new economic age we are just entering."—*Teacher's Outlook*.

"The chapters on 'Natural and Social Selection' are among the most interesting in the book, and require close reading to take in the whole drift of their meaning."—*Detroit Tribune*.

"It is a real contribution to original and advanced thought upon the highest themes of life and religion—of intellectual, moral, social, material and spiritual progress."—*The Unitarian*.

"There are many golden sentences in the chapter on Love, and the practical good sense shown in the treatment of the marriage question would help many husbands and wives to live more happily together."—*The Dawn*.

"This a new and thoroughly original treatment of the subjects of morality, religion and human perfectibility, and furnishes a new ground for the treatment of all social questions. It is radical and unique."—*The Northwestern*.

"It is in no sense an ordinary work. It makes strong claims and attempts to carry out the largest purposes. Taking the standpoint of science, it attacks the gravest problems of the times with an endeavor to show that the most advanced science will enable us to reach the most satisfactory conclusions."—*Chicago Inter-Ocean*.

"One of the most important recent works for those who are striving to rise into a nobler life, who are struggling to escape the thralldom of the present selfish and pessimistic age. Many passages in Mr. Peck's work strongly suggest the lofty teachings of those noblest of the ancient philosophers, the Stoics. Those who are hungering and thirsting after a nobler existence will find much inspiration in 'The Kingdom of the Unselfish.'"—*The Arena*.

THE HUMBOLDT PUBLISHING CO.
64 Fifth Avenue, New York.

SOLD ONLY BY SUBSCRIPTION

COMPLETE SETS OF THE HUMBOLDT LIBRARY

CAN BE OBTAINED UNIFORM IN SIZE,
STYLE OF BINDING, ETC.

The Volumes average 600 pages each, and are arranged thus:

Volume	I.	Contains	Numbers.....	
"	II.	"	"	1-12
"	III.	"	"	13-24
"	IV.	"	"	25-36
"	V.	"	"	37-48
"	VI.	"	"	49-59
"	VII.	"	"	60-70
"	VIII.	"	"	71-80
"	IX.	"	"	81-91
"	X.	"	"	92-103
"	XI.	"	"	104-111
"	XII.	"	"	112-118
"	XIII.	"	"	119-127
"	XIV.	"	"	128-133
"	XV.	"	"	134-139
"	XVI.	"	"	140-147
"	XVII.	"	"	148-158
"	XVIII.	"	"	159-168
				169-175

**CLOTH, EXTRA, \$2.00 PER VOLUME,
OR \$36.00 FOR 18 VOLUMES.**

The various books contained in this Library of 18 volumes would cost over \$300 if bought in separate volumes as published in London and New York.

PUBLISHED AND SOLD BY
THE HUMBOLDT PUBLISHING CO.

64 Fifth Ave., New York